PRESERVED

App. F. IX-4

Previous References.

1942.
(CS.)

File No. 1-42

Serial Nos. 100, 104, 111, 112, 117, 124, 125, 127, 128, 129, 100, 101, 102, 133, 104, 105, 108

Later References.

GENERAL AND REVENUE SECRETARIAT

Serial Nos. 1

R. 117 (E. 4)

Part B-for ~~March~~ 47

SUBJECT

Amendment to Rule 21 of the Mysore Cooperative Societies Rules.

Sc 108) . Do

The Compiler
NOAF 5000 dt 4-3-47

Notifies the

Secl
17/8

G R. S. APP. F. III—1]

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No.

FILE HEADING

FROM

No.	Dated	Received

Diary No.	Enclos.	Spare copies	Serial No.

BRIEF ABSTRACT OF LETTER

NOTES AND ORDERS.

3) Ltr letter to the Resident q.v.p. & draft for above

4) D L

TYPI SEC N
10 MAY 1943
GEN. A R.

NOTES—First Sheet

p 70

WD 0555—GPB—3,750—28-1-39

4030/A7. 4672

CS File No. 1 of 1942 | General and Revenue Secretariat

To The Registrar CS

A.7. 6084 dt 11-5-43

Requests to forward a report on the question.

Petition dated 7-6-43 from Rep V. S. Sanjiva Rao Mallavaram P.O re the affairs of the Mallavaram Coop. Society.

(1) Extract of minutes of the Minister P.W. & L.S. (Minister L.S. & note complete) 2nd M.M. 8/6/43

" may be sent to the Registrar for a report in the matter" (Secretary) 2nd A.B. 9/6/43

2nd N.M. 17/6/43

D.O. Letter No 856 dated 18/6/43 from the P.A. to the Registrar CS. wherein it was intimated that the Dy Registrar CS. has been instructed to take necessary action

(2) Extract of Note and orders thereon

" may now be sent to the Govt Legal Asst"

2nd M.A.J. 23/6/43

2nd [illegible] 23/6/43

(3) Draft memo forwarding a copy of the petition for any remarks with regard to the allegations

Issued 26/6/43

24/6/43

To The Registrar CS.

A.7. 6851 dt 27-6-43.

Has a Copy of the petition dated 7-6-43 received from Vidyadharapuram Mr. V. S. Sanjeeva Rao joined and requested him to forward a report.

TYPE S. 26 JUNE 1943 GEN. & REV.

Letter No 9235/Cl. dated the 25th July 1943 from the Registrar of Co-operative Societies, Madras, forwarding a report on the audit arrangements in Co-operative Societies and the observations of the Registrar thereon.

Book. Receipt

Letter No 9241/Cl. dated the 28th July 1943 from the Registrar of Co-operative Societies, Madras, forwarding a report on the allegations of Mr. V. Subramaniya Rao against the Maheswaram Co-operative Bank.

2) The detailed report of the Deputy Registrar is to be found the only important irregularity is the nomination of Messrs Nanjundappa and Krishna Rao as members for whose removal from the Society there is no provision either in the Act or the rules. The allegations are said to have been the present Committee have been elected only on 23-5-43 and said to have been composed of suitable persons. All the same the Registrar has asked the D.I. Reg. to conduct a further detailed inspection and see to the improvement in the working of the Society.

3) Action for removal and orders - Reference para 1 to 6 above

4) Minister's Diary

5) [illegible] persons either as directors or as members of Committees. If this is not provided in the rule it is necessary that some provision must be made in the Act. This matter be examined. I should like,

GENERAL SECRETARIAT
11 JULY 1943
686

OFFICE OF THE MINISTER FOR L. S. G. & P. H.
Date 2.9.43
No. 920

[illegible] Friendly Societies copy can be inspected either by the Registrar, Asst. Registrar or Inspector of Friendly Societies by calling for the file in the usual way.

3.9.43

Jones

19

For calling for the file in the usual way.

10/8/43

ISSUE & SUBMIT

TYPING SECTION
11 AUG. 1943
GEN. REGISTRY SECTN.

(2) Issue and take action on the first part of the Minister's order.

Jones 11/8/43

The Registrar C.S.

A.7.807 (17-8-43)

Enquiries whether the Society was last inspected by either the Registrar, the Asst. Registrar or the Inspector of F.S. and requests him to forward the Rules of Inspection of these officers.

17) With reference to Paras 14-16 above it is submitted that the question of amending Rule 21 of the rules empowering the Registrar to remove a member of the Committee of Management is under consideration regarding the views of the Registrar on the amendment proposed by Hon. Mr. Fallon. Meanwhile this file may be closed and placed on the Miscellaneous file. Extracts of the minute of the Minister will be taken in the Linked file and that file will be kept separately.

Linked file 6V 17-41 J. 2420 AF

OFFICE OF THE MINISTER FOR L.S.S.G. & P.H.
Date 19.8.43
No. 1446

GENERAL SECRETARIAT
10 AUG. 1943
1139

18) For perusal

GL Seely

Jones 18/8/43

For perusal

19) Minister L.S.S.G.

17.9.43

Jones

WD 1140—GPB—50,000—5-11-42

LF 2432/43

Delay of one month and 12 days in the submission of this file is not satisfactory. HMB 4/11/43

Petition dated 10-8-43 from Mr. J.K.Y. Dharmabha Gunaratne praying allocation against them A.N.Gunasekara and R.Bandaranaike, members of the Mallawarama Co-operative Society.

2) Order of the Minister dated 19th Oct. 1943 to be sent to the Registrar by the opening letter No 3695 dated 11th Nov 1943 from the Registrar Co-op. forwarding the note of this petition by the Assistant Registrar Co-op.

21) In respect of the Mallawarama Co-op Society a detailed report was obtained from the Registrar Co-op on 29th July 1943. As per order of the Minister K.S.C. dated [illegible] of the petition was obtained from the Registrar. It is seen the enquiry [illegible] was fixed on 16/9/41 by the then Deputy Registrar Co-op. In this letter the Registrar Co-op has supported the removal of a member of a society if the acts contrary to the best interests of the society. If such a rule were to be adopted the Registrar will have sufficient powers to see that such happenings in the Mallawarama Society which we do not be allowed to occur again or in other societies. In his detailed report the Registrar has further stated that the two members be debarred from entering the Committee for a period of five years. This proposed rule will give the Registrar powers. It is the matter for orders whether any action on the [illegible] report is necessary at this stage.

22) The inspection notes of the Dy Registrar is for 29/10/1943 perusal. Refer para 11 supra

Dy Secy)

HMB 4/11/43.

304/5/11/43.

23) Were any material irregularities noticed by the then Dy Regr/Exr when he inspected the Society as far back as 16.5.1941? What is the result of action taken if any on the inspection notes? Was it followed up at all?

Jms
15/XI/43
Jms

Dft Ltr to issue.

6/11/43 24) Jms 6/11/43

T.R. 9 NOV. 1943 GEN. & REV. SECTT.

Letter No A.F. 2200/C.S.1-42 dt 17-11-43 to the Registrar C.S. requesting to intimate if there were any material irregularities noticed by the then Dy Registrar C.S. when he inspected the Society and to forward the report as to the result of action taken.

25) The report called for is not received as yet. If approved a reminder may perhaps be issued.

26) Draft reminder is suggested

21/12/43 27) Jms 21.12.43

GEN. &

127) Issued No A.F. 4051/C.S.1-42 dt 23-2-44
for the Registrar C.S.

128) Letter No 11106 C.S. dt 1-5-44 from the Registrar C.S. forwarding a copy of the notes of inspection

of the Society and a memo showing the action taken and to be taken on the points raised.

129) Anonymous Letter No Nil d 12-4-44 addressed to the Dewan re: the mismanagement of the said Society and requesting that a Govt Servant may be appointed as Secretary and one Competent Accountant and one Store keeper in the interest of the Shareholders and the Society.

28) With reference to para 23 above, the Registrar C.S. has submitted the copy of notes of inspection d 16-5-41 and also a copy of the notes of inspection held on the 25th and 26th Feb. 1944 together with a memo showing the action taken and to be taken on the points raised in the Audit of accounts of the Society during the last three years.

Vide P.V.D.

29) The Registrar C.S. states that the working of the Society is satisfactory and its financial condition is sound and he has issued necessary instructions to the present Committee for the maintenance of accounts posted upto date and for the rectification of the defects pointed out at the inspections and audits and for holding the annual meeting more regularly.

30) However the Registrar C.S. feels that proper Control and supervision over the staff is quite necessary. For this purpose the services of a strong manager or an assistant Secretary with adequate powers are quite essential. Similarly the

Flag "T"

services of a qualified auditor is necessary for internal audit and day to day Checking.

31) Vidyabhushan Mr V.S. Sanjiva Rao, journalist (who is no more) has also in his letter d 7-6-43 addressed to the Minister for Cooperation felt the necessity of the service of a paid Secretary (preferably a Govt Servant) to put an end to the existing irregularities and to maintain an efficient management of the Society

Flag "F" A/

32) In addition to the above, one interested person of the Society has in his anonymous letter d. 12-4-44 addressed to the Dewan, expressed the necessity of a Govt Servant as Secretary for satisfactory working of the institution.

Flag "G" A/

33) Inviting reference to para 23 above, it is evident from the notes of inspection of the Registrar's that there are irregularities in the Society with all its bound condition as expressed by the Registrar of C.S. (Vide the Statement enclosed Flag "H").

34) As it is one of the biggest cooperative institutions in the State, and as the present management is not quite satisfactory, it is point for Consideration, in the interest of the Shareholders, whether the service of an efficient Govt servant of an Amildar's status be given to the Society to work as Secretary for a period of one year and an able Accountant subject to the Condition that the pay and other Contributions being paid by the said Society.

C·S 4872
A·F

35) If approved, the Registrar Gc·S. may be required to suggest, in consultation with the R.C. and the Comptroller to Govt, the names of persons whose services could be best used as Secretary and Accountant respectively for a period of one year in the first instance.

36) Submitted for orders.

GL Secy) 12/5/44

4035 13/5

11/5 MW 12/5

37) The question has to be examined from a legal point of view. What exactly are the powers of the Regr and Govt in regard to Co operative societies? Is it open to them to issue a direction to a society that its Secy and Accountant shd be Govt officials or persons approved by Govt or the Regr?

Ly 18/5

JtC

Office of the Registrar of Co-operative Societies
18 MAY 19..
No. 7291

19/5

38) The opinion of the Registrar Gc·S. may perhaps be obtained in the first instance.

Draft Letter to the Registrar Gc·S. is put up.

Yes Ly 16/5

3 32

15/5 MW 39) The file may be referred to the Registrar unofficially for remarks.

GL Secy) 15/5/44

C.S. 4872/A.F.

U.O.No 340 dt 1.7.44

40) Forwarded with Compliments unofficially to the Registrar of Cooperative Societies in Mysore for perusal.

By order

H.M.Sreenivasa Aya

17.7.44

12139 cs dt 25.5.44 for General Secretary to Government

Encore U.O. file mm dt 17/7

41) Retransmitted with compliments:

According to the registered byelaws of the society its committee of management is elected annually by the general body of members at the annual general meeting, and the secretary is elected by the committee members, from among themselves. Thus the secretary is not a salaried officer. He is a member of the committee of management.

42) 2. With regard to the staff of the society, subsidiary rule No.3 of the society reads as follows:

"3. Staff of the society: The undermentioned is the sanctioned scale of the staff. Any alteration or addition thereto requires sanction of the general body:

Designation		Scale of pay per month
Manager	...	50-5-75 + 5 P.A.
Cashier	...	30-3-45
Store-keepers (2)	...	25-2-35
Audit clerk	...	30/-
Ledgerers (2)	...	20-2-30 and 24/-

x x x x x x

Appointment in casual vacancies lasting for more than one month will be made by the Hon. Secretary after the approval of the committee. Arrangements in other cases may be made by him and placed before the committee at their next meeting for approval"

43) 3. From the above it will be seen that before Government can place the services of an Amildar and an accountant from the Comptroller's office at the disposal of the society for being employed as secretary and accountant respectively, it is necessary that the society should amend its byelaws and subsidiary rules and provide for the obtaining

obtaining the loan of services of Government servants for being employed as secretary etc. Co-operative Societies are autonomous institutions and they have to conform to the Act, the Rules and their byelaws. The management of the institutions is entirely in the hands of the committee elected by the general body and the Registrar can not interfere in their internal affairs, except under section 38A of the Mysore Co-operative Societies Act. This section provides for the supersession of the committee of management of a society under certain circumstances and the appointment of a suitable person or persons to manage the affairs of the society. I do not think that any case has been made out for the adoption of such drastic action as supersession of the committee. On the other hand, there is need for purification from within. Members like Messrs Bhima Rao and Nanjunda Rao, who have been seriously found fault with by a sub-committee appointed by the general body of the society should at least be debarred from serving on the committee for a fixed number of years as suggested by the Deputy Registrar of Co-operative Societies, Bangalore City Division, in one of his letters to the Registrar, copy of which is in the file, the necessary powers therefor being vested in the Registrar under the Rule-making powers of Government.

A
This question may be examined by us 26/5?

44

4. I may however, add that some of the irregularities and defects in the maintenance of accounts and the arrears in the ledger postings, ~~is~~ are entirely due to the staff being undermanned while the purchases and sales have increased almost threefold. It is a fact that many of the trained hands have left the society and it naturally takes some time before the new recruits could be sufficiently well trained.

45

5. While on this subject, I wish to state that it is very necessary that there should be paid wholetime secretaries in societies having a working capital of Rs.50,000/- and over in the larger interests of the societies.

C.S. 1967

societies. In Madras there is a Rule (framed under the Madras Co-operative Societies Act) which reads as follows:

"Every financing bank, every credit society with limited liability and a working capital of not less than rupees one lakh and every Mortgage Bank which has loans outstanding from its members to the extent of not less than rupees three lakhs shall appoint a paid secretary. The paid secretary shall be disqualified for being appointed as, and for being, a member of the committee of the financing bank, the society or the mortgage bank as the case may be

Provided that a mortgage Bank which has appointed a paid secretary shall not dispense with his services even though the loans outstanding from its members fall below the limit specifed in this rule except with the sanction of the Registrar".

I think for our State a limit of Rs.50,000/- will do.

46) 6. Even if there is a rule like the one in Madras or if societies have provision in their byelaws for paid secretaries, it may not be easy to persuade them to take the loan of services of Government servants, as in addition to salary, they will have to pay a deputation allowance and pensionary and leave allowances contribution. This aspect will be examined by me separately and suitable proposals submitted to Government for their consideration.

47) 7. In the circumstances mentioned above, any direction from the Registrar ~~to~~ of Government that the society's secretary and accountant shall be ~~lent~~ sent officers from Government, will not be legally correct.

Registrar.

ksv

48) Given the Notes of the Registrar C.S., there are two main points for consideration viz.-(1) deputing

debarring Messrs Bheema Rao and Narijunda Rao from serving on the Committee for a fixed number of years as suggested by the Deputy Registrar of C.S. (Vide Flag M.) (2) appointing paid wholetime Secretaries in Societies having a working Capital of Rs. 50,000/- and over.

(49) It is seen from the letter No 39 C.S. dt 3-7-43 from the Deputy Registrar of C.S. that Messrs Bheema Rao and Narijunda Rao are undesirable persons to have them on the Committee of management of any Cooperative institution for a period of at least five years and, he further states that the provisions of the Act and the Rules do not at present provide for such debarring. In view of the above difficulty, the Registrar suggests that necessary powers be vested in the Registrar under the Rules (entering powers of Govt. (Vide last portion of the para 43 supra)

Flag "L"

(50) In the interests of the Cooperative institutions, it is very necessary to have such powers in general.

(51) Regarding the second point, the Registrar has stated that he would submit his proposals to Govt for consideration. (Vide para 46 supra)

(52) If approved the Registrar of C.S. may perhaps be requested to submit his final proposals with a view to add two more general Rules to the existing Rules under the Cooperative Societies Act. in the first instance. Regarding certain other points, we may take up separate action in consultation with the Registrar of C.S.

P.T.O.

C.S. 4872
A.F.

Submitted for orders.

27/5

(53) This file deals with the following items:-

(1) Appointment of Govt Servants for ~~as~~ the posts of Secretary and Accountant of the Nellesvaram Co-operative Society

(2) Appointment of whole time paid Secretaries in Societies having a working Capital of Rs 50,000/- and over

(3) Debarring Messrs Bhima Rao and Narsinda Rao from serving on the Committee for a fixed number of years.

54) With regard to item (1) viz appointment of Govt Servants as Secretary and Accountant, the Registrar is opposed to the proposal (vide discussions in paras 41-43 and 47 of the Notes)

55) In respect of point (2), the Registrar has stated that the question is under consideration and that

a report would be submitted to Govt separately.

(56) In respect of item (3) viz debarring or disqualifying any member of a society from holding an office for a fixed number of years, it is submitted that the subject presents some difficulty.

(57) It is submitted in this connection that the Registrar (Mr Abdul Hakim) suggested in his letter of 27-2-1942 the amendment of Rule 21 of the Co-operative Societies Rules which provided among other items, for the disqualification or debarment of any Officer of a society from holding any Office in the society for a period not exceeding 3 years and the proposed rule was published in the Gazette calling for objections or suggestions.

Flag I (linked file) (C.S. 17-41-42)

Flag J linked file (C.S. 17-41-42)

(58) Several criticisms against the revision of the rule on the lines referred to above appeared in the press and certain important Co-operative Institutions also stated in definite terms that it was not desirable to amend the Rule on the lines proposed by the Registrar.

Mr K. Subba Rao who succeeded Mr Hutch to the Office of the Registrar considered that the proposed Amendment was not required and as such placed the subject for the second time before the Standing Advisory Committee of Co-operators for reconsideration in the light of the objections received thereto.

57) The Committee considered that the amendment was unnecessary which view was also supported by the Registrar.

60) Reference is invited to the G.O. Note of 10-11-1943 of the Registrar on the subject and to also to his letter of 17-8-1943 proposing revised Rules. In the revised Rule the provision for disqualification or debarment was omitted. The revised Rule was been accepted by Govt and it is proposed to issue it now.

Flag K (limited to (C.S 17-[illegible]

Flag O (limited to)

limited to (C.S 17-[illegible])

61) In the light of these circumstances, it is not clear why the Registrar has again recommended the Amendment of the Rule providing for debarment of an office holder

of a Society for a fixed period notwithstanding the fact that the proposal was considered on all its bearings and the previous Registrar totally opposed it in the circumstances detailed in his official and unofficial Communications to Govt. In fact, the revised rule omitting the provision for detainment of an office bearer of a society was published in the Gazette of 13-1-1944 and it is now proposed to issue it with slight modifications.

(67) It may be mentioned that the recommendation of the Deputy Registrar to detain Messrs Bhima Rao and Ranjunda Rao was dated 3-7-1943 while the proposal of the Registrar to consider such a step as unnecessary dates to 17-8-43 and 11-11-1943 which has however been accepted by Govt.

Flag L

Flag O

Flag K

(68) The following points are for orders:-

(1) Whether the view of the Registrar that it is not desirable to post Govt officers for employment as Secretary and Accountant of the Mettuswaram Co-operative Society may be accepted

Pass orders herein

Re. Malleswaram Co-operative Society

Continuation Sheet. File No. / Current No. of 1857 Page.

(2) Whether the proposed promised report of the Registrar re. the employment of whole time salaried Secretaries &c in societies having working Capital of Rs 50,000/- and above may be awaited.

This may be awaited JMS

(3) Whether an enquiry may be made of the Registrar why he still considers it necessary to detain the individuals referred to in his Confl. Official Note Dy 25-5-'44 in spite of the views expressed by the previous Registrar against such a step.

This may be done JMS

Submitted for orders with reference to General Secretary's Minute in para 43 of the notes.

GM 29/5

GL Secy

JMS 30/5/44

64) It is obvious from the above discussion that Govt have no power but has the Regr to issue a direction to a co-operative society that if she employs Govt servants as its Secy and accountant. The suggestion of the Regr that every society intending a working capital of Rs 50000/- and above she have a whole-time paid Secy is a

food. and calculated to increase the efficiency of the working of the Society. The proposal of the Regr in this respect may be agreed

65) Regarding the removal of an undesirable Director the Regr has pointed out in his ~~at~~ the ~~Appendix~~ note (Flag K.) that he has this power under Rule 21. He thinks that the power now vested in him is sufficient and any amendment in the manner suggested by his predecessor was both unnecessary and undesirable. The arguments used by him in support of this view are weighty and should in my opinion prevail. In the present case both ~~the~~ Messrs Bheema Rao and Ranjinda Rao have ceased to be Secretaries and have been removed from the Directorate. The main object has thus been achieved and should they manage to get into the Directorate again it is open to the Regr to exercise his extra-ordinary powers to remove them from it. At present no further action in this respect appears to be necessary

(W L&G) 66) 6/1

67) 31/5 Jones

OFFICE OF THE MINISTER FOR L. S. G. & P. H. Date: 1.6.44 No. 8412

Continuation Sheet. File No. / Current No. 2672 of Page.

68) As opined by the Registrar of Co-operative Societies the term of persons may be debarred for a period of 5 years.

69) Yes
8.6.66

70) 16/6
12/6/66

The File No: with amendments Ruled is disinked on 12/6/66

D. No 4872,

Submitted

71) As it noted in para 65 of the notes, messrs Bhima Rao and Nanjunda Rao have ceased to be secretaries and have been removed from the Directorate. The main object has been achieved and should they manage to get into the Directorate again it is open to the Registrar to exercise his extraordinary powers to remove them from it. Such power has now been vested in the Registrar under Rule 21 [Vide Page of the hand filed]

72) The Minister for C.S. and P. H. has ordered in para 68 of the notes - as opined by the Registrar C.S. that persons may be debarred for a period of 5 years

73) There is no provision in the Cooperative Act or Rules wherein to debar any person for a default period. On the other hand, the Registrar may remove any undesirable person, in case he is elected, from the office.

74) In the circumstances orders are solicited for taking further action in the matter—

75) A doubt is felt by the office in drafting an order re. the detaining Messrs Bhima Rao Lagan Nanjunda Rao from the Directorate.

The Act and the Rules thereunder do not appear to provide for taking such an action.

76) It has already been submitted in paras 57 - 60 of the rules that the question of detainment was considered by Govt in the past and it was decided that it was not desirable to amend the Rule on the subject so as to provide for detainment.

77) Accordingly Rule 21 ~~of~~ was amended providing for the removal of an office of a Society from his office. It may be submitted that the question of detainment was expressly ~~—~~ dropped

Key X (Enclosure)

78) In these circumstances this office feels a doubt as to the extent however in which the orders of the Minister have to be communicated

79) Rule 21 as now revised empowers the Registrar to remove any ~~the~~ office of a Society.

80) It is for orders as to whether the Registrar may be requested to take action under Rule 21

It is stated that both the gentlemen are now on the directorate.

[It is submitted in this connection that this file could not be laid earlier as the office was very busy with the question of issuing orders re additional grants and reappropriation from 21.6.44 to 1.7.44 (inclusive) and it is only after 3rd July that immediate files were attended to. The office had to pursue even papers from stage to stage and no work could be attended to besides the above item of work.

Save this was also pertaining to leave all previous reference if any in these cases but with no practical result.

The delay may kindly be condoned]

Such delays should be strictly avoided in future

10/7/44

G.L.Seey)

10/7/44

OFFICE OF THE MINISTER
FOR L. S. G. & P. H.
Date 12.7.44
No. 329

23.7.44

Draft letter is put up

GL Seey

27.7.44

ISSUED 27 JULY 1944

Issued vide AF 710 dt 1-8-44

C.S. 4872

A.F.

85) ~~Reference is invited to para 81 supra~~ Letter No 2846 C.S. dt 25-8-44 from the Registrar C.S. stating the basis on which he recommended debarment of members of Societies

85) Kind Reference is invited to para 81 supra. The Registrar C.S. forwards a copy of Rule No 48A of the Bombay Cooperative Societies Rules which empowers the Registrar of the Bombay Presidency not only to remove a person from the Committee of management of a Society but also to remove him from membership altogether. He further states that he shall place the matter before the Advisory Committee once again at its next meeting and submit their views with his further remarks for the final orders of Govt.

86) The Registrar of C.S. has not made it clear why he has again recommended for debarment of the members of any Society for a fixed period notwithstanding the fact that the proposal on the same point was considered on all its bearings and the previous Registrars totally rejected it in the circumstances detailed in his official and unofficial communications to Govt. The Advisory Committee of Cooperators considered that such a provision was unnecessary. Even today the Registrar of C.S. again insists upon the strengthening of the powers now existing. The Registrar of C.S. even now has not given any strong reason in support of his views.

87) Kind Reference is invited to paras 56 to 62. If approved the Registrar of C.S. may perhaps be intimated that his proposal may not be accepted, before taking further action on the other points noted in para 63 supra

Submitted for orders

C.S.I-42

~~C.S.~~ 4872 / A.F. 1047 / A.F.

88) The Registrar was requested to explain why he still considered it necessary to depute Messrs Bhima Rao and Narayana Rao ~~respectively~~ serving on the Committee of management of Malleswaram Co-operative Society notwithstanding the fact that previous Registrar was not in favour of giving effect to that suggestion and that Govt ~~also~~ were not in favour of taking such a step

747

89) He reports, that though his predecessor considered such a thing as an unnecessary encroachment on the autonomy of co-operative institutions yet he considers such a step is necessary.

90) It is however stated that the matter would be placed before the Advisory Committee at its next meeting and a final report would be submitted to Govt.

91) It is ~~for~~ orders as to whether the receipts of the final report of the Registrar may be

avoid

1577/2/9

of I.D. awaited

(Secy)

Jms 2/9/44

92) I personally think that the matter may be closed

OFFICE OF THE MINISTER FOR L. S. G. & P. H.
Date 11.9.44
No. 1927

C-S-I-U 1047
A.F.

93) It may be examined

Ex.
12.9.44

by
18/9
Jms

94) ~~If approved the Registrar of C.S. may perhaps be~~ ~~invited to~~ the views of Govt ~~be~~ and requested to take further action.

95) Submitted for orders

Draft letter to the Registrar of C.S. is put up.

15/9/44

96) The Registrar has stated that the matter will be placed before the next meeting of the Advisory Committee and a report submitted to Govt thereafter.

97) In view of these circumstances the further report of the Registrar may perhaps be awaited.

98 There does not appear to be any necessity to issue a letter at present as proposed

See A

GL Beery
99)

Jms
16/9/44

20/9/44

by

100) 19/9 Jms

101) So far no reply has been received in this behalf from the Registrar of C.S. and as such

Serial No.

it is for orders whether the previous letter submitted may be issued

he 18/1/46 102) Draft letter submitted
BB

103) Bond up
all

104) Submitted with a revised draft. for 21/1

he 2/2/46. 105) For perusal before issue
BB

Gl Secy for 4/2

4199/41

106) Call for proposal of Ply in the lines defined of previous correspondence

VS
for 7/2

107) Submitted with a draft for approval.

he 12/2/46 108) Issue for 14/2
BB

TYPING SECTION
14 FEB. 1946

To the Regr of C.S. A7 No 52 Dt 18-2-46
Requests for reports with regard to
from the Regr of C.S Letter No 1067 C.S. Dt 11-3-46
Stating that the subject will be placed
before the next meeting of the Standing Advisory
Committee and the result will be communicated

109) Submitted for perusal and ~~information~~ order

he 15/3/46 BB 110) Further report may be awaited

Gl Secy
for 18/3
VS 16/3
for 15/3

5095/16/3

NOTE—Contn. Sheet.

C. S. File No. of 194 | General and Revenue Secretariat

Serial No.

[illegible] in no. 54 in 44 4 Dt 16 & it was [illegible] placed considered by the Standing Advisory Committee. Conclusions arrived by Level of the Dept in the last which a Representative of the Registrar was present. I Corresponding note

(2) The existing rule 21 reads as follows

It shall be open to the Registrar to order the removal of any officer of a Cooperative Society if he is satisfied that such officer has acted in any manner contrary to the best interests of the Society

provided that (a) the Registrar shall give such officer a full opportunity to explain his conduct (b) the objection to the Continuance of such officer shall be recorded in full and Communicated to the Society and the officer concerned; and (c) an appeal shall lie to Govt within one month from the date of receipt of such order of the Registrar by the officer Concerned."

(3) The proposed amendment to the above rule in the P. U. D is for perusal

(4) The Regr of C. S. states that this subject was considered by the Standing Advisory Committee of Cooperation

Serial No.

at their meeting held on 3.8.46 and they were of opinion that such a provision was necessary in the best interests of cooperative societies and that it would have a salutary effect.

1625 27/8 A/ The Law Branch may be consulted for orders.

Perusal 27/8

27/8 115) A. approved

28/8 Asst Secy (Law)

28/8 subdl.

116) There is no provision in the cooperative Societies Act or the Rules thereunder regarding disqualification or debarring of members or the officers acting against the interests of the Society as suggested by the Deputy Registrar and by the Registrar (vide u.o Noh. para 43 supra). Rule 21 provides for removal of any member of the managing committee only.

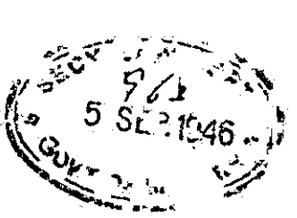
117) Section 44 (2) (g) and (m) provide for empowering Govt to frame rules re appointment, suspension, and removal of members and also withdrawal and expulsion of members. Rule (21) will have to be amended if it is necessary to take action as suggested by the Registrar.

118) Under Sec 44 (g) the Govt may make rules providing for "the appointment, suspension & removal

NOTE—Contn. Sheet

Serial No.

the members of the committee other officers .." Under ~~Sub~~ Sec 44(m) rules may be framed providing for the withdrawal & expulsion of members" There is no ~~provision~~ provision for making rules to ~~disq~~ disqualify or debar any person from serving on the committee or from holding any office in the society for ~~a~~ a period. ~~The~~ The Act itself has to be amended empowering the Govt. to make such rules. This removes possibility to make a rule that a person who has been removed from office or committee shall not be eligible to serve on the committee or hold the office until a certain period has elapsed from the date of his removal.



for
Law Secy). 4/9

119) Under S44 cl(1) the Govt is invested with general power to make rules to carry out the purposes of this Act. Clause 2 of S44 mentions particular subjects for the exercise of the rule making power & is specified as follows: In particular & without prejudice to the generality of the foregoing power the rule making powers mentioned in S44 cl(1)

Serial No.

120) I thought consideration must be given to amendment of S44. The proposed amendment in 21 can be made by Govt. If it is thought necessary to specify the power to "dispense with or relax" in S44 cl 2 then an amendment of that section may be required

1866
5/9

Govt Secy
W.C

8/9
5/9
5/9

121) 5/9
13/9
16/9

Municipal Govt

122) ~~The Municipalities of the Law Secretary's Department should consider whether the Municipalities Amendment Act 1946 should not be applied to the Municipalities Registration Act~~

~~1. Section 2 adding to the definition~~

123) 18/9

~~(a) Subs~~
~~Application for~~ Subs for appeal
20/9

126) Subs after necessary Consultation with Govt. of the draft Notice
27/9/46

Govt Secy 27/9

127) Secy
30/9

Please note with the Notification of the Govt Notification with which the Rules were published

NOTE—Contn. Sheet.

23/9

2451
28/9

OFFICE OF THE MINISTER FOR PUBLIC WORKS
16 SEP 1946
2165

4631 J 786

A11

C1 File No. of 194

General and Revenue Secretariat

Serial No.

A7-2163 D7 11-10-46

Notifies for general information and suggestions re draft amendment to Rule 21 of the rules under M.C.S. Act

Copy to the Regr vide A7-2164 D7 11-10-46

Letter no 562 D7 22-11-46 from the Hon Secretary, the Shimoga Cooperative Bank Ltd opposing the proposed amendment to Rule 21 | "S"

Letter no 30 D7 26-11-46 from the Hon Secretary the Shimoga House-Building Cooperative Society Ltd opposing the proposed amendment | "J"

(28) Both the institutions are of opinion that in the interests of the growth and development of the cooperative movement in the State, it is not desirable that such highly severe punishments should be in the armoury of any person and the proposed draft rule is also opposed to all principles of democratic organisations and it is a retrograde step to arm the Regr with such severe punitive measure

(29) The due date for receiving objections and suggestions on the proposed draft amendment to Rule 21 has expired objections

Amendment to rule 21 / C.S. Rules 431 / 786 / 2218 / 2278

App. F-III-2

General and Revenue Secretariat | C.S. File No. | of 194 .

Serial No.

from two institutions marked S & J are for perusal. passing of the amendment as published is for orders.

As against the opinion of these two institutions the majority of the Standing Advisory Committee of Co-operators who held that the proposed amendment is necessary in the best interests of co-operative societies, it is considered necessary that the remarks of the Registrar on the objections may be called for.

Yes/ 12-12

A. Thus may be done

Y/S 13/12

13/12

Memo. 140/C.S. 1-42 dt 16/12/46

forwarded with compliments to the Registrar of cooperative societies in Mysore, Bangalore. for favour of remarks. Early reply.

B. O

for General Secretary 16/12

By order

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE, BANGALORE. DEC 17 No. 4917

19/12

Retransmitted with compliments:

The objections of the Shimoga Co-operative Bank, Ltd., and the Shimoga House Building Co-operative Society, Ltd., to the proposed draft amendment are that (i) it is not desirable that such highly severe punishments should be in the armoury of any one person and (ii) it is opposed to all principles of democratic organisations.

The existing rule provides for ordering the removal of a member of the committee of a society

NOTE—Contn. Sheet

society under certain circumstances, subject, however, to an appeal to Government. The only addition made in the proposed amendment is for disqualifying him from serving on the committee for a period not exceeding 3 years in any case. This addition is necessary to prevent a person, who has been found unworthy to continue on the committee, to get into the committee soon after and to make the removal really effective. Such a corrective is necessary in the interests of the proper working of Co-operative institutions. The removal or disqualification is always subject to the an appeal to Government and so there is no meaning in saying that the power of punishment will be in the armoury of any one person. The present Advisory Committee of Co operators consisting of some elected members have considered all the aspects of the case and are of opinion that the additions to the existing rule proposed in the amendment are desirable in the best interests of the movement.

Registrar.

2877

5906

OFFICE OF THE MINISTER FOR AGRICULTURE AND PUBLIC WORKS
1 FEB. 1947
No. 5496

Serial No.

subject. A draft notfn is put up for appl.
The Law Sect may also be consulted before
6/2 it is for consideration whether the
file may not be submitted to the Dewan for perusal

6/2 Gen Secy 6/2

6174 6/2

For Law Sect perusal

Dewan)

6188 6/2

6/2 6/2

The draft notfn is for appl. The Law Sect
may not scrutinised the draft

13/2 Law Secy
Mayln sent to the Law Secy for
general report issue
Gen Secy 13/2

6609 13/2

Law Secy
u/c)

13/2
Dc 4/2

Addl Secy Legis
u/c) fr 14/2

Mr King. fr 14/2

A revised draft is put
up for Consideration

King 20/2 The revised draft is
Dsm 20/2 more suitable.

Law Sec) fr 20/2

Revised draft Gen Secy)
Cover DS 21/2 Th 21/2 C

8K
24/2 fr 20/2

6646 21/2

NOTE– Contn. Sheet

File No. / 2[illegible] / A1 of 194 2

General and Revenue Secretariat

Serial No. 138

To The Comptroller M.G

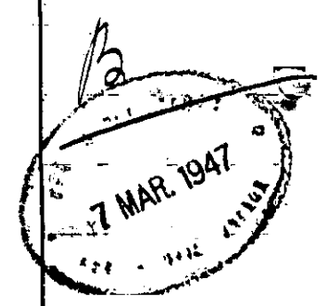
No. Ab 7 5300 dated 4.3.47

Notifies the amendment

to The Registrar G.S.

No. Ab 7 5301 dated 4.3.47

re: 9 Items a...



WD 05238—GPB—15,000—8-1-47

ಲಿಪಿ ಕಛೇರಿ ಟಿಪ್ಪಣಿ 29-4-43

4030 G.I-42-103

ಹುರಿಗಾಳು

ಮಲ್ಲೇಶ್ವರದ ಕೋ-ಆಪರೇಟಿವ್ ಸೊಸೈಟಿಯ ವ್ಯವಹಾರ ಕೊಂಚ ಕೊಂಚವಾಗಿ ರಸವತ್ತಾಯವಾಗುತ್ತಿದೆ. ೧೯೪೨ರ ಅರ್ಧಭಾಗದಲ್ಲಿ ನಡೆಯಬೇಕಾಗಿದ್ದ ವಾರ್ಷಿಕ ಸಭೆ ಈಗ ನಡೆಯುತ್ತಿದೆ.

ಅದು ನಡೆದು ೧೯೪೩ರ ಕೊನೆಯ ಅರ್ಧ ತಿಂಗಳ ಸಭೆ ನಡೆಯಬೇಕಾಗಿತ್ತು.

ಬಹುಶಃ ಈ ೨-೩ ತಿಂಗಳಲ್ಲಿ ಇಡೀ ವರ್ಷದ ಎಲ್ಲ ಸಭೆಗಳನ್ನು ಮಾಡುತ್ತಾರೋ ಏನೋ!

ಹೌದು ಈಗಿರುವ ಕಮಿಟಿ ಯಾವಾಗಿನದು?

೧೯೪೧ರದ್ದೋ ೧೯೪೨ರದ್ದೋ?
ಅಥವಾ ಇನ್ನೂ ಹಳೆಯದೋ!

* * *

ಅಂತೂ ೨ವರ್ಷ ಕಷ್ಟಪಟ್ಟು ಒಂದು ವಾರ್ಷಿಕ ಸಭೆ ಮಾಡಿದರೆ ಸೊಸೈಟಿಯವರು ಮೊನ್ನೆ ಭಾನುವಾರ ಈ ಗಜಗರ್ಭದಲ್ಲಿ ಬಂದದ್ದೂ ಆಸಾಧ್ಯವೇ ಆಗಿರಬೇಕು ಕಾಣೆ!

ಬೆಳಿಗ್ಗೆ ೮ಗಂಟೆಗೆ ಪ್ರಾರಂಭವಾದ ಸಭೆ ಆ ದಿನವೆಲ್ಲ ನಡೆದರೂ ಮುಗಿಯಲಿಲ್ಲ ನಾಳೆ ಭಾನುವಾರಕ್ಕೆ ಮುಂದುವರಿಸಿದರಂತೆ

-ಈಗಿರುವ ರೀತಿಯಲ್ಲಿ ಇನ್ನೂ ೩ತಿಂಗಳು ಮುಂದುವರಿಯುವುದು ಹೆಚ್ಚು.

ಸೊಸೈಟಿಯ ವ್ಯವಹಾರ ಮಾತ್ರ ಜೋರಾಗಿಲ್ಲ ಇಲ್ಲದಿದ್ದರೆ ಅಷ್ಟು ಅಪೇಕ್ಷೆಗಳೆ ಸದಸ್ಯರಿಂದ. ಎಲ್ಲಾ ಕಡಿತ, ನಿಲುವಳಿ ಸೂಚನೆಗಳೇ!

* * *

ಹೋದ ವರುಷ ಸೊಸೈಟಿಯ ಕಾರ್ಯದರ್ಶಿಗಳಲ್ಲಿ ಬಹಳ ಅದಲು ಬದಲಾಯಿತು. ಇಬ್ಬರೂ ರಾಜೀನಾಮೆ ಕೊಟ್ಟರು. ಇಬ್ಬರನ್ನೂ ಸೊಸೈಟಿಯ ಸದಸ್ಯತ್ವದಿಂದ ತೆಗೆದು ಹಾಕುವಷ್ಟು ದೂರ ಹೋಯಿತು ಸಂ

ಅವರಲ್ಲಿ ಒಬ್ಬರು ಮತ್ತೆ ಸದಸ್ಯರಾಗಿದ್ದಾರೆ.

* * *

ಇನ್ನೊಬ್ಬರು ಮೊನ್ನೆ ಮೊನ್ನೆಯವರೆಗೂ ಸದಸ್ಯರಾಗಿದ್ದರು. ನಾಳೆ ನಡಿದ್ದು ವಾರ್ಷಿಕ ಸಭೆ ಎನ್ನುವಾಗ ಅವರನ್ನು ಸದಸ್ಯತನದಿಂದ ತೆಗೆದುಹಾಕಿದರಂತೆ.

ಬೆಂಬಲ ಚುನಾವಣೆ ವಗೈರೆಗಳಲ್ಲಿ ಪ್ಲಾಲು ಗೊಳ್ಳುವ ಸಂಭವವಿತ್ತು
ಅದಕ್ಕೆ ಅಡ್ಡಿಯಾಯಿತು.

* * *

ಕಮಿಟಿಗಳನ್ನು ಕಾರ್ಯದರ್ಶಿಗಳನ್ನೂ ಸಾಧಾರಣ ಸಭೆಯಲ್ಲಿ ಸದಸ್ಯರು ಆರಿಸುತ್ತಾರೆ. ಸದಸ್ಯರಿಗೆ ತಿಳಿಯದೆ, ತಿಳಿಯಬೇಕಾದ ಅಗತ್ಯವಿಲ್ಲದೆ ಕಮಿಟಿಯೇ ಕಾರ್ಯದರ್ಶಿಗಳ ಉಚ್ಚಾಟನೆಗೆ ತೊಡಗಿದ್ದು

ತಾವು ಉದ್ಘಾಸನಮಾಡಿದವರಮೇಲೆ ಅರೋಪಣ ಹೊರಸಿ, ಸದಸ್ಯರಿದ್ದುರಿಗೆ ಅವರು ತಮ್ಮ ಸಮರ್ಥನೆ ಹೇಳಿಕೊಳ್ಳಲು ಅವಕಾಶವಿಡದಂತೆ ಮಾಡಿಬಿಡುವುದೆ?

ಅವರು ಸಭೆಗೆ ಬಂದರೆ ಇವರಿಗಾಗುವ ಕಷ್ಟವೇನು? ಉಪ್ಪು ತಿಂದವರು ನೀರು ಕುಡಿದಾರು: ಸದಸ್ಯರು ಏನಾದರೂ ಅಡ್ಡಾದಿಡ್ಡಿ ಪ್ರಶ್ನೆ ಕೇಳಿದರೆ ಅದಕ್ಕವರು ಬಾಧ್ಯರು: ಉಳಿದವರಿಗೇಕೆ ಈ ಸಂಕೋಚ.

ಅವರು ಇದಿರಿಗಿಲ್ಲದೆ ಅವರಬಗ್ಗೆ ಸಾವಿರ ಪ್ರಶ್ನೆ ಹಾಕಿದಾಗ ಯಾವ ಸಂಕೋಚವೂ ಇಲ್ಲವೋ ಇದೇನು ನ್ಯಾಯ!

* * *

ಅವರು ರಾಜೀನಾಮೆ ಕೊಟ್ಟದ್ದು ಡಿಸೆಂಬರಿನಲ್ಲಿ ಅಷ್ಟೆಂದ ಜನವರಿ, ಫೆಬ್ರವರಿ, ಮಾರ್ಚಿ ಮೂರು ತಿಂಗಳು ಕಮಿಟಿಯವರು ಈ ವಿಷಯವನ್ನೆ ಮರೆತರೋ ಏನೋ!

ಮಾರ್ಚಿ ೨೫ನ ವಾರ್ಷಿಕಾಧಿವೇಶನಕ್ಕೆ ಕಳಿಸಬೇಕಾದ ಗೊತ್ತುವಳಿಗಳಿಗೆ ಕೊನೆಯ ದಿನ.

ಮಾರನೆದಿನವೇ ಜೊಸಶಾರ್ಯದರ್ಶಿಗಳು 'ನಿಮ್ಮನ್ನು ಸದಸ್ಯತನದಿಂದ ಏಕೆ ನಿವೃತ್ತಿ ಮಾಡಬಾರದು.' ಎಂದು ಕೇಳು

ಅವರು ಉತ್ತರ ಬರೆದರು.

* *

ಏಪ್ರಿಲ್ ೧೯ನೇ ತಾರೀಖು ಹೊಸ ಚುನಾವಣೆಗಳಿಗೆ ಉಮೇದುವಾರಂಗಳು ಹೆಸರು ಕಳಿಸುವವರಿಗೆ ಕೊನೆಯ ದಿನ ಆ ದಿನ ಇವರು ಹೆಸರು ಕಳಿಸಿದರು

ಅದೇ ರಾತ್ರಿ ಮಾರನೆ ದಿನ ಕೆಲವು ಜನ ಕಮಿಟಿ ಸದಸ್ಯರು (ಅಧಿಕಾರಿ ಸದಸ್ಯರು ಮೂವರು) ಇವರ ಮನೆಗೆ ಬಂದು-ನೀವು ಚುನಾವಣೆಗೆ ನಿಲ್ಲಬೇಡಿ. ನಿಂತರೆ ನಿಮ್ಮನ್ನು ಸದಸ್ಯತನದಿಂದ ತೆಗೆಯುಬೇಡುತ್ತೇವೆ ಹೇಳಿದರಂತೆ

ಇವರು ಅ.....ಕ್ಕೆ ಒಪ್ಪಲಿಲ್ಲ.

* * *

ಸರಿ. ಮಾರನೆಯ ದಿನವೇ-ಅಂದರೆ ೨೧ನೇ ತಾರೀಖು ಇವರಿಗೆ ಚೀಟಿ ಬಂತು. ನಿಮ್ಮನ್ನು ಸದಸ್ಯತನದಿಂದ ಬಿಡಿಸಿದ್ದೇವೆ ಎಂಬ ತೀರ್ಮಾನದ ಅದು.

* * *

ಆ ಕಾರ್ಯದರ್ಶಿಗಳ ವಿಷಯ ಮೊನ್ನೆ ಅಧಿವೇಶನದಲ್ಲಿ ಚರ್ಚೆಗೆ ಬಂತು. ಅವಲ್ಲದೆ ಸಾವಿರ ಮಾತು ಬಂತು. ಅವರೇ ಇದಿರಿಗಿದ್ದು ತಮ್ಮ ಉತ್ತರ ತಾವು ಕೊಡಬಹುದಾಗಿದ್ದ ಅವಕಾಶ ಇರಲಿಲ್ಲ. ಜಸ್ಟೈ. ಎಂಥ ತಪ್ಪಿತಸ್ಥನಿಗೂ, ಖೂನಿಮಾಡಿದವರಿಗೂ ತನ್ನ ದೋಷವನ್ನೊ, ನಿರ್ದೋಷವನ್ನೊ ತಿಳಿಸುವ ವಿವರಿಸುವ ಅವಕಾಶ

[illegible] ಅವಕಾಶ [illegible]
ಸಮಜದು. ಮಲ್ಲೇಶ್ವರದ ಸೊಸೈಟಿ

VISWAKARNATAKA , 29-4-1943.

MAY 1943

The correspondent to the 'Gossip Column' of the "Viswakarnataka" complains of serious irregularity in the management of the Malleswaram Co-operative Society, Bangalore.

Submitted.
Chief Secretary).

30/4/43

Min & S.G)

1/5/43

1) The Registrar may be required to report in the matter.

2.5.43

2/5/43

3/5/43

A & F

The main file relating to the appeal of the Parliamentarians has been linked with the file of the amendment of Rule 21 of the Rule under the C.J. Act has been submitted to the Registrar L.D. & Hr Annx A. 19/9.

(DNW. 359)

The P.A. to requested kindly to obtain above the file and return the same to the Branch as further papers relating to both the files are to be received

P.A. to the Hon'ble Judge

Hr Annx

20/9/23 2019

20/9/23 → The main file has since been returned to the Sec. with the orders of the Minister.

RM.
21/9/23.

A & F. Bor

DMK/ST

A petition from Mr. S.K.Y. Dharmadasa bearing DMO 705 regarding allocation of the management of the Pallewaram Est. and a letter from the Resident Ch. bearing DMO 713 re the amendment of rule 21 of the Rules were sent together with the copy of the minute L.S.S No 2079/43. As these references are required for working up the present reference. the P.A to the Minister L.S.S is requested to return the references in original for working up the present reference.

27/9/43

P.A to the Min. L.S.S

Dear Mr. Narayan

The material file which was
sent back was again sent to
us with DOS 384/1187 -- (27-9-83)
You for putting the three two
receipts Please make a search
and return the file to the
Branch early as there are letters
as well as the new receipt (DOS
1189) with them to be acted on
as directed

Yours sincerely

Adwaidalo

6/10/83

PA to the Hon Sec

Appendix F. G.—1

SUBJECT.....

.....

.....

Section 65.

File No. 1-42

Serial No. 104.

Diary No. of letter replied to.....

No. A.F. 6084.

To

The Registrar

Sir

I am directed to invite reference to the ~~letter~~ ~~extract from~~ ~~a~~ Investigation in the ~~daily issue of the~~ Vibhakandalu of the 29th April 1943 in regard to ~~the~~ certain irregularities in the affairs of the Nallemmanam ~~Co-op~~ Thrift Ltd and to request you kindly to forward a report on the question

I have the

honour to be

Sir

Your obedient Servant

General and Revenue Secretariat

( )

the 194 .

Date of issue... 11th May 43

Signed by.....

Replied in the Vibhakandalu of the 29/4/1943 under the orders of Govt

List of enclosures.....

Copied by..... 10/5

Examined by.....

CS 01-42-111

vide a bus kuna
v-S.Sam/ina Rao
tournabsh

Mr Alles varam
7.6.43
4672
A7

OFFICE OF THE MINISTER FOR PUBLIC WORKS
9 JUNE 1943
No. 1440

17 JUNE 1943

To
The Minister for
Co-operation etc
Government of Mysore
Bangalore

OFFICE OF THE MINISTER FOR L.S.G. & P.H.
Date 17.6.43
No. P1000

In any case
to the Registrar
for a report in
the matter.
S.G.
16.6.43

Genl. Secy (C.)

Dear Sir

I regret to have to bring to your notice, that grave irregularities are alleged to be frequently perpetrated in the Mallesvaram co-operative society especially after the rationing system of the supply of essential food stuffs was entrusted to the Society

Two directors have been censured and debarred from offering themselves for re-election to the directorate at the annual general body meeting which concluded last month - The delay in holding the meeting is remarkable

Supplies are cornered and monopolised to the mutual benefit of the directors

Hon. Secretaries are not amenable

to discipline. Their faults go
unpunished They escape with
only remarks in words which
are no punishment.
By an amendment of Bye. Law 24. Cap 3.11.
the Members have been increased
to 4000. Society is thus unwieldy.
I request that you will please
instruct the Registrar, to inspect
the Society within a week and
correct irregularities
Branches of this society must
be made independent.
The existing society must be
divided so as to have not more
than 1000 members.
A paid Secretary must soon
be appointed and pending
such appointment a Govern-
ment servant from the Supply
Department should be posted
to supervise Rationing as the
present arrangement is neither
satisfactory nor efficient
yesterdays supply of rice was
monopolised and not properly
rationed - This morning several
shareholders could not get rice
Please do the needful
may I be shown the courtesy
a reply?

Yrs truly.
Kranthi Rao
Tournalesh

A

Copy of letter No 856 dated 18-6-43 from the P.A. to Resident q/cd.

With reference to your letter dated 12-6-43 addressed to the Resident regarding the affairs of the Kalleswaram Boarding Branch LMS Bangalore ----- I am directed by the Resident to request you to bring to the notice of the Municipal that the Deputy Resident of Cochin City Dr has been instructed to investigate the Branch and furnish a report On receipt of the report the Resident will meet the Directors and later shall further action as may be necessary to place the affairs of the society and its management on a better basis

DNO 4766
AF

WD 1140—GPB—50,000—5-11-42

CS 1-42-112

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

Subject Re Irregularities prevailing in the Malleswaram Co-operative Society.

Memo. No. A.F. 685-18/276/43 Encd.

The accompanying copy of petition dated 7-6-1943 from Vidyabeshana Mr. V.S. Sanjeeva Rao joumalise on the above subject is herewith forwarded with compliments to the Registrar Co-operative Societies in Mysore for ~~information and~~ furnishing a report in the matter immediately. ~~The petition may also be returned with the report.~~ By order

Jones 26/6/43

for General Secy to Govt

R

Issued to the party

No. A.F. 685-18/276/43

WD 0436—GPB—10,000—17-10-33

C.S. 1-42-104

387

47

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

925 C1 Encome

Dated Bangalore, 28/14 July 194 3

To

The Secretary to Government
of Mysore, General Department,
Bangalore.

29 JULY 1943

GENERAL SECRETARY
29 JULY 1943

Sir

With reference to your letter No.A.F.6084/C.S. 1-42-104 dated 11-5-1943 calling for a report in regard to certain irregularities in the affairs of the Malleswaram Co-operative Society, Ltd., referred to in the "Viswakarnataka" of the 29th April 1943 under the caption " ", I have the honour to submit for the perusal of Government a copy of letter No.90 dated 6-7-1943 received from the Deputy Registrar of Co-operative Societies, Bangalore City Division

P.T.O

Division furnishing his remarks on the several allegations contained in the columns of the said Viswakarnataka.

I have the honour to be,
Sir,
Your most obedient servant,

jsp.19/7.

Registrar.

Letter No.90 dated 3rd/6th July 1943 from the Deputy Registrar of Co-operative Societies, Bangalore City Division to the Registrar of Co-operative Societies in Mysore, Bangalore.

With reference to your letter No.13750/C.S. dated 24th May 1943, forwarding a copy of letter No.A.F.8084/C.S. 1-42-104 dated 11th May 1943 from Government, and calling for a report on the items noted in the column "Hurigalu" of the Viswakarnataka of 29th April 1943, I have the honour to state as follows:-

1. The delay in holding the annual general meeting of the society was due to some of the members of the staff of the society having left the society as they were able to get better prospects in the Hindustan Aircraft Company etc., and the consequent delay in the preparation of the annual accounts and their audit by the certified auditor. I may add that even last year the general meeting for 40-41 was held on 21-12-41 and this year it has been held four months later than the usual time and it was unavoidable. The society had to hold a special general meeting also in the middle. This also dislocated the work to some extent and contributed to the delay. The Directors have however been informed that they should appoint competent men and have the annual accounts completed very early and hold the annual meeting for 1942-43 at least before the end of October 1943 as laid down in the byelaws of the society.

2. The general meeting could not be concluded on 25-4-43 and hence it was continued on 2-5-43, 9-5-43, 16-5-43 and 23-5-43 on which day it was finally concluded.

3. Messrs. K. Bhima Rao and A. Nanjunda Rao were the Hon. Secretaries of the society. The former resigned from the Directorate and Secretaryship on 15-12-42 and the latter on 4-3-43. The Committee found fault with the former in respect of many irregularities committed by him as Secretary, of which the following are the more important ones:-

(i) Encashing cheques drawn on other banks on the society's counter contrary to rules even though he had not enough funds to his credit in the Banks on which cheques are drawn.

(ii) Purchasing from the society two bags of sugar on 1-10-42 (for his use or for sale) when the members of the society were having very limited (half viss per week per member) supplies from the society.

(iii) Purchasing things from the society on credit in excess of the credit limits fixed by the committee.

(iv) Not bringing to the notice of the committee the loaning out of 50 bags of sugar from the society to a private merchant by the other secretary, and

P.T.O

other secretary and

(v) Making additions to the society without the committee's sanction and getting the work done by a firm in which he was personally interested

Mr. Nanjunda Rao was similarly found fault with for the following among other irregularities:-

(i) Loaning of 50 bags of sugar to a private merchant, without any proper record of the transaction in the books of the accounts of the society.

(ii) Obtaining excess credits.

(iii) Certifying that he was not a defaulter when he was actually a defaulter and

(iv) Giving incorrect information in his loan application.

Mr. Nanjunda Rao gracefully admitted hismistakes and prayed for his retention as a member but he was removed from the membership of the society on 21-3-43 and on an application for reconsideration, the committee reinstated him to membership on 24-3-43 as a matter of grace. Mr. Bhima Rao contended that there was nothing wrong in his actions and so the committee removed him from membership on 20-4-43. He appealed to the general body. The general body appointed a special committee to go into the question and on receipt of the special committee s findings resolved that though the conduct of Mr. Bhima Rao justifies his removal he be given another chance and he reinstated as a member with effect from 23-5-43.

The remarks contained under the caption "Hurigalu" appear to have been written at the instance of Mr. Bhima Rao himself, who was a candidate for the directorate but was removed from membership on 20-4-43 and so could not take part in the elections.

"C O P Y"

jsp.21/7.

For Registrar.

C.S. 1-42-118
389
47

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

924 CS
Enclosures

Dated Bangalore, 28th July 1943

29 JULY 1943

To

The Secretary to Government
of Mysore, General Department,
Bangalore.

GENERAL SECRETARIAT
29 JULY 1943

Sir,

With reference to your letter No.6851/C.S. 1-42-112 dated 28-6-1943, calling for an immediate report on a petition dated 7th June 1943 from Vidya-bhushana Mr. V.S. Sanjiva Rao, Journalist, Malleswaram, to the Minister for Co-operation etc., to the Government of Mysore, Bangalore in regard to certain alleged irregularities in the affairs of the Malleswaram Co-operative Society, Ltd., Malleswaram, I have the honour to submit, herewith for perusal of Government copies of letters No.39 C.S. dated 3-7-43 and No.89 dated 6-7-1943 received from the Deputy Registrar of Co-operative Societies, Bangalore City Division, furnishing his remarks, after enquiry on the several allegations made by Mr. V.S. Sanjiva Rao. The Committee of Management has been reconstituted at the recent elections on 24-5-43 and it is believed that this committee is compposed of suitable persons. All the same the Deputy Registrar has been instructed to conduct a further detailed inspection of the society with regard to its working and management at an early date and to take necessary further action to improve its working.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

jsp.19/8.

Letter No.39 C.S. dated 3-7-1943 from the Deputy Registrar of Co-operative Societies, Bangalore City Division to the Registrar of Co-operative Societies in Mysore, Bangalore .

With reference to your letter No.14647/C.S. dated 12th June 1943 forwarding a copy of letter dated 7th June 1943 received by you from Vidyabhushana Mr. V.S. Sanjiva Rao, Journalist, Malleswaram making certain allegations against the management of the Malleswaram Co-operative Society, Ltd., I have the honour to state as follows:-

(1) The allegations contained in the letter are (i) that directors corner and monopolise supplies of essential food stuffs such as rice and sugar (ii) that two directors were censured and disqualified from offering themselves for re-election (iii) that one director took away a bag of sugar and another cornered cloth and a third presented a cheque and had it cashed when there was no money to his credit (iv) that the society is unwieldy and (v) that Hon. Secretaries are not amenable to discipline.

(2) My remarks on each of the allegations are noted below:

Allegation No.(i) That Directors corner and monopolise supplies of essential food-stuffs such as rice and sugar.

The present directorate of the society consists of the following gentlemen who were elected thereto at the general meeting held on 23rd May 1943.

Mr. S. K. Venkataramana Iyer, President.
Mr. M. S. Sastry, Vice President.
Mr. V. Srinivasiah, Treasurer.
Mr. N. Deva Rao — Hon. Secretaries.
Mr. S. Krishna Iyengar
Mr. B. V. Patankar.
Mr. K. Anantaswamy Rao.
Dr. B. M. Madhava Rao.
Mr. P.B. Srinivasan.
Mr. B. Venkatasubbiah
Mr. S. Seshagiri Rao.
Mr. K. S. Suryanarayana Rao

Both the articles referred to viz., rice and sugar are Government rationed articles and no person can have more than the quantity allowed to him under the rationing scheme as the supply at a time is limited to a week's quota and the society cannot sell more. I examined a few bills from March 1943 at random to find if any large quantities have been sold away to any individual and found none. Cornering means that purchases are made of all the stocks of the particular commodity available in the locality to be sold again at prices dictated by the

P.T.O

the party. In a Co-operative society this is not at all possible and further as the rationing scheme is in force, and there are a large number of depots ,cornering is out of question. I am therefore of opinion that this allegation is baseless.

Allegation No.(ii) That two directors were censured and disqualified from offering themselves for re-election.

Mr. K. Bhima Rao, B.A. Retd. Head-quarters Assistant to the Director of Agriculture and Mr. A. Nanjunda Rao, B.A. Representative of the Times of India, were on the directorate of the society having been elected thereto in the annual general meeting held on 20th December 1941. Owing to some grave irregularities committed by them, they were both forced to resign from the directorate. Mr. Bhima Rao resigned on 15-12-42 and Mr. Nanjunda Rao on 4-3-43. The Directors resolved to dismember Mr. Nanjunda Rao in their meeting held on 21-3-43 but on a reconsideration, they permitted him to continue as a member as a matter of grace. But the general body in their meeting held on 2nd May 1943 did not approve of the action of the Board of Directors in re-instating Mr. Nanjunda Rao to membership. Similarly Mr. Bhima Rao was removed from membership on 20th April 1943 by the Board of Directors. He appealed to the general body and the general body in their meeting held on 23-5-43 resolved that he be reinstated as a member as a matter of grace.

While on this point, I may be permitted to state that the conduct of both these ex-directors was such that they deserved a more deterrent punishment. Mr. Nanjunda Rao continues as a member of the society and Mr. Bhima Rao has been readmitted to membership with all the privileges, rights and liabilities of membership but I think that they should both be debarred from serving on the committee of management of any Co-operative institution for a period of at least five years. As the provisions of the Act and the Rules do not at present provide for such debarring, the question cannot be pursued further.

Allegation No.(iii) that one director took away a bag of sugar and another cornered cloth and a third encashed a cheque on another bank on the counter of the society.

society.

Mr. Bhima Rao obtained from the society two bags of sugar on 1-10-42 under credit bills No.2654 and 2707 without the sanction of the directorate. This was one of the charges on which he was removed from membership by the Directors on 20-4-43. The allegation that a director cornered cloth is vague and there is nothing on record to substantiate this. The cashing of the cheque is also true. Mr. Bhima Rao presented on 2-12-42 a cheque drawn by him on the Malleswaram Co-operative Bank for Rs.450/- to the society and obtained cash from the society. This cheque was returned dishonoured but was subsequently presented on 8th December 1942 and realised. In the meanwhile, the matter having come to the notice of the Directors on 4th December 1942 through the Treasurer, the Directors pointed out the irregularity to Mr. Bhima Rao and he resigned from his secretaryship and also his Directorship on 15th December 1942.

Allegation No.(iv) That the society is unwieldy. The present membership of the society 2244 who with their families do not constitute even five per cent of the population of the area included in the society's jurisdiction. Besides the Head Office, there are three branches (at Sriramapuram Seshadripuram and Malleswaram North End) to sell things to the members. The Mysore Co-operative Committee have opined that expert management coupled with a large turnover is essential to the successful working of the stores societies. While they advocated the placing of a limit on the number of members in a Co operative credit society or bank, they did not think it correct or appropriate to place any limit on membership in a Co-operative store. For effective and easy distribution, the proper method is to open more and more branches. I beg leave to mention that the Triplicane Urban Co-operative Stores, which has won the reputation of being the best co-operative stores in India, has a membership of over 17 000 and has been catering to the needs of its members and the general public through its 35 branches and 30 depots and yet it is not considered that it has become unwieldy, I am therefore of opinion that the charge laid at the doors of the society that it has become unwieldy is not based on a proper appreciation of the functions of a consumers' society

society.

The last allegation that the secretaries arenot amenable to discipline is very vague. The Secretaris are elected by the Directors from among themselves (the directors are elected by the general body) and thus are under the control of the Directors. If they do not function properly it is up to the directors to remove them from Secretaryship and appoint others in their places. Co-operative Societies are autonmous institutions and their management must naturally be in the hands of members elected by the members.

The next part of the letter contains certain requests. They are (i) an inspection of the society (ii) stock taking (iii) regulating supplies (iv) rectification of mistakes and (v) appointment of a paid secretary, from the Department to supervise the distribution.

With regard to these, I may state that the annual stock taking has just been completed by the society. The question of regulating supplies is a difficult problem except in the case of the rationed commodities. Besides the articles rationed by Government, certain commodities are rationed by the management itself. But still there are complaints. All that the society can do is to fix the maximum up to which each buyer may purchase at a time and that has been done. But it cannot hold up the stocks for long periods for buyers to come. Latterly there havenot been any compaaints in this respect. The mistakes which occurred in the past, havebeen rectified andthe accounts for 1942-43 are under audit. I do not think there is any need to force a Government Officer on the society to work as its secretary. If however the Directors ask for it, the question may be considered. In conclusion, I may mention that Mr. Sanjiva Rao's allegations against the present directorate who were elected only on 23-5-43 and who are pulling up the affairs are mischievously malicious. I have asked the secretaries to see that the ledger postings of the stock accounts which are in arrears from a long time (for nearly a year) are brought up-to-date very early by employing additional staff.

"C O P Y"

jsp.21/7.

For Registrar.

Letter No.89 C.S. dated 3rd/6th July 1943 from the Deputy Registrar of Co-operative Societies, Bangalore City Division to the Registrar of Co-operative Societies in Mysore, Bangalore.

With reference to your memo No.71/C.S. dated 3rd July 1943 forwarding a copy of a letter dated 7-6-43 addressed by Mr. V.S. Sanjiva Rao to the Minister for Industries and Supplies and calling for a report thereon I have the honour to invite your kind reference to my letter No.39/C.S. dated 3rd Jyly 1943 furnishing my report on similar allegations made by the same gentleman in his letter dated 7-6-43 addressed to you. As already reported, the present directorate of the Malleswaram Co-operative Society was elected on 23-5-43 and they are a set of respectable persons who have come forward to pull up the affairs of the society and save its reputation. The President Mr. S. K. Venkataramana Iyer is a Senior Asst. Commissioner; the Vice President a retired Veterinary Surgeon; Mr. N. Deva Rao one of the Hon. Secretaries is a retired Asst Secretary to Government and the other directors are all respectable persons who appear to have no selfish ends in view.

2. It is alleged that grave irregularities are allowed to be frequently perpetuated in the society especially after the rationing system was entrusted to the society. The rationing system has not been entrusted to the society. Under the rationing scheme introduced by Government the Malleswaram Society is one of the licensed dealers out of ~~the~~ about 500 in the City. It is false to say that irregularities are committed in the sale of the rationed articles. The society does not appear to have issued quantities in excess of the quota prescribed to any of the card-holders and it cannot do so under the rules in force.

3. About the censuring of two directors, kind attention is invited to my previous report referred to above. The delay in holding the general meeting was due to various causes such as, many members of the staff of the society having left the society as they were able to secure better prospects in the Aircraft Company etc., and the consequent delay in the preparation of the annual accounts for purposes of audit by new hands who had to be trained in the work.

4. In my previous report, I have dealt with the allegation that supplies are cornered and monopolised by directors and I have ~~the~~ to reiterate that it is a false allegation made against the present directors.

P.T.O

directors.

5. The remarsk that Hon. Secretaries are not amenable to discipline etc., are made without a proper appreciation of the constitution and the autonomous nature of the societies. It is false to say that the membership has been raised to 4,000. The authorised share capital of the society was formerly 75,000/- made up of 3,000 share of Rs.25/- each and this was raised to 1,00,000 made up of 4,000/ share by an amendment of the byelaw passed in June 1942. The present membership is only 2244.

6. About the society being unwieldy, branches being made independent division of the existing society into societies of 1,000 members each etc., kind attention is invited to my remarks on allegation No.(iv) reported upon in my letter No.39/C.S. dated 3-7-43.

7. With regard to the appointment of a paid-Secretary, I am definitel of opinion that there is no need just now for forcing a Government officer on the society. The present directorate have hardly been at the helm of affairs for a month and yet they have shown considerable improvements. The allegation that the supply of rice of the 6th June 1943 was monopolised and not properly ratinned is mischievously false. Equally false it is that members could not get rice on the 7th June 1943. It is possible that they could not get the particular kind and quality of rice that they wanted but rice was available in the society for sale to members. In this connection I may bring to the notice of the Registrar that the directors complained to me about the inadequate supplies of rice by the Department of supplies, for its 2244 members, at least 1500 bags of rice are required monthly and unless the supply of this quantity is assured, it will be difficult for the society to meet the demands of its members.

"C O P Y"

jsp.21/7-

For Registrar.

Appendix F. G.—1]

SUBJECT.....

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Section 65

File No. 1-42

Serial No. 124

Diary No. of letter replied to.....

No. A.F. 807.

General and Revenue Secretariat

( )

the *194* .

To

The Registrar Co

Sir

Date of issue 17th August 43

With reference to the Correspondence ending with your letter No 925 dated 28/7/43 re the affairs of the Pakeswaran Cooperative Credit Ltd, I am directed to enquire when the Society was last inspected by either the Registrar, the Assistant Registrar or the Inspector of Co-operative Societies and to request you kindly to forward the results of inspection when received

Signed by.....

List of enclosures.....

Codied by..... 18/8/43

I have etc

John 11.8.43

for Secretary

Examined by.....

CS. I-42-1259

705

A-7

OFFICE OF THE MINISTER FOR L. S. G. & P. H.
Date 17.8.43
No. PW

may be sure of his full co-operation in their efforts for success

To
The Minister for Co-operation,
Through the private Secretary,

18 AUG. 1943
LAW & PUBLIC BRANCH

16.8.43.

Respected Sir,

The Malleswaram Co-operative Society had two Secretaries last year. One of them, Mr. A.N. Rao is an ex-convict of the Bellary district, which may be easily verified. The two Secretaries played ducks and drakes with the funds of the Society, and the managing committee framed the following charges against Mr. A.N. Rao; "(1) He was a defaulter for many months against the rules. (2) He certified on another occation that he was not a defaulter, though he was one. (3) He gave incorrect information that his ~~was not~~ dues to the Malleswaram Bank were nil, though he was a debtor to the Bank and in arrears and that he suppressed the letter from the Bank when received and so secured a large loan. (4) He loaned

Govt Secy(C)

1 Asst. Sec.

389
Minister
19/8.

out 50 bags of sugar to a merchant without any record being made in the Society's Books and this was done when there was strict rationing of sugar to the Society members."

The committee disenrolled him and later when he submitted an unqualified apology and threatened suicide, he was re-enrolled as an act of grace.

The second secretary Mr. K.B. Rao was charged with (1) taking excess credits month after month (2) cashing 40 of his own private cheques on the counter of the Society in spite of warnings (3) cashing cheques without corresponding credit in his favour (4) and other malpractices. He was also disenrolled and reenrolled as an act of mercy.

Will the Government enquire whether there have been no criminal offences in the above mentioned mal-practices other-wise the Co-operative movement will continue to be a field of exploitation of the public and will sooner or later perish like a house of cards.

Bangalore city
10-8-43

Going to Mangalore, Respected Sir,

Yours faithfully,
S.K.Y. Dhalmappa,
111, Uplands Nagar,

C.S. 1-42-126-389

GOVERNMENT OF MYSORE.

K. SUBBA RAO, Esq., B.A., LL.B.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

Dated Bangalore, 17th September 194 3

705 AF 3475 CS Encl one

20 SEP. 1943

To

The Secretary to Government
of Mysore, General Department
Bangalore.

GENL 17 SEP. 1943

Sir,

As desired in your letter No.A.F.807/C.S. 1-42-124, dated 17-8-1943, I have the honour to forward, herewith, a copy of the notes of inspection of the Malleswaram Co-operative Society, Ltd., Bangalore, held on 16-5-41 by the then Deputy Registrar of Co-operative Societies, Bangalore City Division.

I have the honour to be,
Sir,
Your most obedient servant,

K. Subba Rao
Registrar.

jsp.15/9.

Appendix F. G.—1]

SUBJECT.....

.....

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Section 65
File No. 1-42
Serial No. 127

Diary No. of letter replied to.....

No. A.F. 2207

To Enrolls

The Assistant Cr.

General and Revenue Secretariat

( )

the *194* .

Sir

Date of issue 17/11/43

With reference to the Correspondence ending with your letter No 34757 Cr. dated the 17th Sept 1943 pn the matter of the affairs of the Mahenwaree Cooperative Society Ltd, I am directed to request you to kindly intimate if there were any material irregularities noticed by the then Deputy Registrar when the Society was inspected on 16/5/40 and to forward a report as to the result of action taken of any irregularities noticed in the inspection, whether the report was followed up at all

Signed by

List of enclosures.....

Copied by

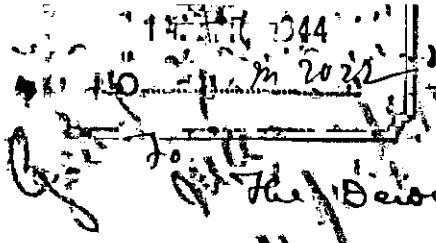
Examined by.....

The report of this action received with your letter of this date will be forwarded and retained with your reply

Stet
JDMS
6/11/43

I have ok
JDMS
6/11/43
for Dr. Lay

A.F. 11-42/28



Malleswaram
Bangalore city
12-11-1944.

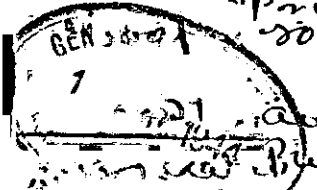
4801

To The Dewan of Mysore A/c

The Registrar of Co-operative Societies
Bangalore

Sir,

I beg to bring it to your kind notice and for immediate & very serious consideration that the share holders and the offenders are properly punished in the all Mysore Co-operative societies.



Accounts are not properly maintained and the balance sheet has never been published during several years.

The power of the people (shareholders) & members attendance are not properly maintained.

In the Purchasing committee each director is making over charges above percentages. Mostly the merchants especially of Shimoga and Gundlupet are going out for purchase in the market. It is impossible to estimate how much discounts they are making. One and the same members are making purchases on behalf of the market as well as co-operative society. The other members would be getting their quota in a smoother way.

Immediately the present committee of purchasers to be dissolved and a new committee would be set up to satisfy the shareholders. There are workers in the Co-operative society very few members since 10-15 years. The President is not aware of the fact. This is above board or mere transaction?

The present Store Keeper one Lenden Rao is an old aged officer he is also a Co-operative society, he is in service a lot of years, as well as Kind he should be transferred early as possible

Yes my humble opinion on the above should be in the interest of the shareholders safety, should appoint a Govt. servant as a Secretary & a Competent accountant and a Store Keeper of the Society. once in a year they should be changed. by doing so there will be no scope for bribery and corruption. The above matter should be investigated as early as possible

Yours obediently

I am interested in the welfare of the Co-operative Society

Nageswara

2508-10
7.6.41

Notes of inspection of the Malleswaram Co-operative Society, Limited held by the Deputy Registrar of Co-operative -- Societies on 16th May 1941.

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The last inspection of the Co-operative Society was made by the undersigned on 6th May 1940. Bye-laws as corrected up to end of June 1939 have been printed and a printed copy of this is kept for reference. The following amendments have been made in the General Meeting held on 4-5-1941 and the same have to be incorporated after getting the approval from the Department. (Bye-laws Nos.76 (3), 77 (e), 88 (5), 94 (8)(a). Whether this copy accords with the bye-laws as approved by the Department has yet got to be certified. Copy of the Registration certificate is available. Copy of the Subsidiary Rules also is available and up-to-date amendments have been noted in them. The older amendments have still been noted in pencil as observed last, though the later amendments are in ink. The former may also be inked. The amendments are now being noted in ink.

JURISDICTION AND MEMBERSHIP.

There has been no alteration in the jurisdiction of the Co-operative Society.

The present membership is 1,211, i.e. 145 more than at the last inspection. There have been 170 new admissions during the current year so far and 38 removals. The continuous increase in membership seems to be

(a)

One of the deceased members has a share amount of Rs.150/- to his credit and owes nothing to the Society. His membership may be cancelled and the share amount returned to his legal representatives as he has made no nominations. Some small amounts are due from the other two deceased over and above their share amounts. Their membership may also be cancelled and the excess due collected ffom their estates.

accounted for by the opening of new branches. It is better as suggested at the last two inspections to keep down membership from growing into an unwieldy number. It is best that a limit is placed therefor.

The register for membership is maintained in the old form. It is explained that the Society had in stock share ledgers printed in the old form and that the new combined registers will be opened after the old stock is used up. Signatures have to be -- obtained in a few cases, and nominations have also to be noted in a few cases. The entries of nominees' names are in the writing of the staff of the Co-operative Society and they are unattested by the member nominating. Action should be taken to see that the entry is made by the member himself or attested by him. Out of 1,211 members 3 are said to be deceased and 133 are not residing now within the jurisdiction of the Co-operative Society. (a). Bye-law No.14 (1) (d) does not permit the continuance of membership of persons who are continuously absent from area of operations of the Co-operative Society for a period of 6 months. Hence many out of 133 persons not now residing within the Society's jurisdiction have to be removed from membership. This was pointed out even at the last inspection, but the bye-law has not been given effect to. It is stated that most of those persons have gone out of the Society's jurisdiction temporarily only leaving their families here who are regularly making purchases in the Society and it would

involve hardship on their families if their membership is cancelled. In that case the byelaw has to be suitably amended.

The Society has made some attempts to ascertain as to how many and which of its members are members of other co-operative credit Societies but without much success. Some 241 such members have obtained exemption. In almost all of these cases, the exempted are not permitted to have loan transactions in this Society. This fact has been noted both in the members register and in their folios in the share ledger as also in a separate register. This condition seems to have been adhered to.

SHARES.

The registered share capital is as before Rs.75,000/- consisting of 3,000 shares of Rs.25/- each of which only Rs.15/- per share is called up. 2,901 shares have been taken up by the members who have paid a sum of Rs,42,455-4-0 on them. Out of the unpaid balance of Rs.1,059-12-0, only a sum of Rs.92-12-0 is in arrears due from 11 members. Out of this, Rs.61-8-0 due from 5 members are in default for the last 3 months and over. The Share which was in default since August 1937 has been cancelled.

DEPOSITS.

There are now 179 accounts of non-members, their aggregate current deposits amounting to 1,455-7-7. Of these 142 accounts are dead accounts as they are not at-all operated on from a long time. The current deposits from members amount to Rs.13,012-3-1 in 130 a/cs.

The total ~~x~~ current deposits amount to Rs.14,467-10-8 on which interest at 1/9/16 percent per annum is paid at the end of each half-year. As before no transactions are permitted in Current Deposits without the production of the Pass Books and a simultaneous entry into them, and no withdrawals are allowed by means of cheques. Withdrawals are allowed only once a week.

FIXED DEPOSITS:- 15 members have Fixed Deposits amounting to Rs.7,520/- and 13 non-members Rs.5,220-11-8, the total fixed deposits amounting to Rs.12,740-11-8. The maximum rate of interest is 3% but some Rs.5,025/- of old deposits still carry int., at the old rate of 4%. As observed in the previous inspection notes, the matured sum of Rs.61-2-3 has -- neither yet been renewed ~~xx~~ nor returned to the party ~~xxxxx~~. The deposit stands in the name of a temple, the authorised operator being one Mr. H.v. Krishnaswami Iyengar as noted in the deposit ledger. The original letter of authority was called for but was ~~xxid~~ not forthcoming being mixed up, it was said among old records. After tracing this out, he may be instructed of the maturity of the deposit and his advice regarding its disposal obtained. There is another account in Fixed Deposit in the name of an institution, viz:- The Sree Ramapuram Rate payers' Dispensary, the amount being Rs.100/-. This is in fact a donation by this Society to the Dispensary. No resolution has yet been obtained from the Committee of the ~~S~~ Dispensary as to the person authorised to operate on this account. This should

should be obtained.

Three institutions have current accounts in the Society, the amounts being however, small. Two of the institutions have intimated the names of persons who are authorised to operate on the accounts, but the third has not. It is a dead account of Rs.2-2-6 only and belongs to the Ganapathy Temple. The Malleswaram Co-operative Bank has a current deposit of Rs.23-0-3 in this Society. This is not permissible and the Bank may be asked to withdraw it and the account closed. Receipts for the return of Fixed Deposits of over Rs.20/- are being stamped latterly.

The Provident Fund scheme which is open only to members continues and the outstanding subscriptions now amounted to Rs.31,324-7-0.

The subscriptions to the staff Provident Fund amount to Rs.6,260-11-2 and the security deposits from the staff to Rs.2,245/-

FLUID RESOURCES.

The fluid resources consist of the following current accounts besides other investments as on 15-5-41:-

Bank of Mysore Ltd., C.D.	Rs.1,244- 2-11
Malleswaram Co-op: Bank Ltd., C.D.,	10,945- 1- 2
Indian Bank Ltd. C.D.	217-11-11
State Huzur Treasury, S.B., a/c	758- 8-11
Cash on hand	1,458- 0- 9
	14,623- 9- 8

The pass book relating to the State Huzur Treasury was available. The other pass books have been sent to the respective Banks for entries.

The above figures were taken from the ledger of the Society. It is stated that the Registrar has been addressed for permission to keep deposits in the Malleswaram Co-operative Bank Limited. Deposit accounts are still maintained in the old form. Space has not been provided for therein for noting the receipts or vouchers supporting the entries or to refer to the cash book folios and this is not being done. This is a serious defect and must be corrected. The blank pages in the Current Deposit Ledger have not been cancelled as suggested last.

RESERVE FUND.

The Reserve Fund now amounts to Rs.32,451-11-9. The investments amount to much more than this sum and consist of the following:-

1.	Fixed Deposit in the Malleswarm Co-op: Bank Ltd., ...	Rs. 5,000- 0- 0
2.	Fixed Deposit in the City Co-op: Housing Society Ltd., ...	5,000- 0- 0
3.	State Loan Bonds: 4%.....	5,000- 0- 0
4.	Share in the Malleswaram Co-op: Bank,	25- 0- 0
5.	Fixed Deposit in Govt., S.B.,	14,500- 0- 0
6.	Share in Apex Bank	100- 0- 0
7.	Provident Fund in Malleswafam Co-Op: Bank	8- 0- 0
8.	Building	23,998- 5- 1
9.	Branch Building at Sreeramapuram	8,753-10- 1
		62,384-15- 2

The Fixed Deposit Receipts, the share Certificates, the loan bonds were all produced and checked. All interest and dividends due on them have been received and credited in the Society's accounts. As remarked at the last inspection, the Fixed Deposit investments in the Malleswaram Co-operative Bank and

the city Housing Co-operative Society were made before such investments were prohibited. These accounts should be closed after the deposits mature. The -- purchase of a share in the Malleswaram Co-operative Bank is not permissible and the Registrar has ordered its withdrawal. Reminders have also been issued by the Deputy Registrar in this matter. The Society has not yet however, sofar complied and it is stated that the Society is going to apply to the Registrar to permit the investment. The provident Fund investment in the same Bank is consequential since every member of the said Bank has to subscribe for at-least one bond. Depreciation is taken on the buildings at 2½% per annum. The depreciation Fund now amounts to Rs.6,956-8-1. A sum of Rs.8,406-13-7 has been ~~actually~~ later on spent out of the General Reserve on construction of buildings. The Registrar's sanction has not yet been obtained therefor.

LOAN TRANSACTIONS.

Issue of Loans on mortgages has been stopped now altogether. Only one mortgage is outstanding which amounts to Rs.383-1-7 as observed last. Other loan outstandings on 30-4-41 were as follows:- Rs.13,843-5-1 on Short Loans and Rs.13,932-7-11 on Special Loans.

These do not include the sum of Rs.2,704-3-2 under decrees as on 30-4-1941.

Out of the total outstandings of Rs.30,863-1-9, a sum of Rs.4,776-3-4 is overdue as noted below:-

Between 6 months and 1 year	Rs. 776-13-10
" 1 year and 2 years	884- 7- 2
Two years and above	410-11- 2
Decretal dues	2,704- 3- 2
	4,776- 3- 4

Eight out of 12 directors have borrowed and his outstandings against them amount to Rs.1,263/- of which nothing is overdue. Short loans still continue to be perpetual loans. Action should be taken to recover these loans in a definite time.

DISPUTES AND DECREES.

Five disputes were filed during the current year and 7 in the previous year. They have all been decreed. 26 decrees are pending execution involving to Rs.2,704-3-2. Decree Register though maintained is not in the prescribed form.

As observed before, in two cases, the Society has purchased properties in decretal sales. Sale certificates had been applied for and stamped papers of half the usual value were ~~prescribed~~ presented therefor. The Society has now been asked to apply with full stamp papers. ~~There~~ This may be done early. The Society has not any property in possession now and no property register is opened.

MEETINGS.

~~26 members~~ Twenty Six meetings of the directors have been held during the current year. Two General meetings have been held, one the annual and the other half-

half-yearly. The proceedings of the annual General meeting have been approved. The half-yearly general meeting was held on 4-5-41 and the copy of the -- proceedings has been sent to-day. Dividend of 6¼% was declared at the last general meeting. Rebates on sales were allowed at Rs.1/- percent on cash sales and 0-12-0 percent on credit sales. The Dividend Register is maintained. The undisbursed dividends amount to Rs.1,303-7-8 and undisbursed rebates to -- Rs.408-10-11. About Rs.375/- remain undisbursed for over 10 or 12 years. Action should be taken on the lines pointed out in the previous inspection notes with regard to the disposal of undisbursed dividends.

A U D I T.

The accounts for the half-year ending 31st December 1940 have been audited by the certified auditor Mr. K. Natarajan appointed by the Registrar of Co-operative Societies in Mysore. Two audit clerks are borne on the establishment and they are auditing the accounts daily. One of the Directors continues to audit on behalf of the Committee. The cash balance at the time of inspection was Rs.1,264-6-6 This includes three unrealised cheques of the total value of Rs.39/- It is once again to be mentioned that cheques should not be treated as cash before -- realisation.

STORES SECTION

The Society is dealing in the same kind of articles as it was doing when it was last inspected.

The system of credit sales continues. The maximum credit is limited to twice the paid up shareamount. The maximum limit is exceeded in some rare instances. List of excess credit issued are as before being prepared every month and placed before the Committee. This has been done up to December 1940. 15 members have received excess credit to the total amount of Rs.98-4-4 as at the end of December 1940. The total purchases during the year amount to Rs.1,98,500-15-1 and the total sales is to Rs.1,96,644-13-8. Of the sales, Cash sales amount to Rs.85,506-1-5 and credit sales Rs.1,11,138-12-3. The period for discharge of credit accounts is as before one month for provisions and 3 to 8 months for cloth purchases in monthly instalments. The credit outstandings in the store section amount to Rs.19,900-0-3 of which Rs.2,754-15-6 are overdue.

Below 6 months.	Rs.1,077- 5- 5
Between 6 months and 1 year	1,164- 8- 2
" 1 year and 2 years	467- 3- 8
Above two years	45-14- 3
	2,754-15- 6

The Purchase Committee consisting of seven members, 6 from the directors and one from the general body, determine the purchases and two of them to be appointed each time make the actual purchaess. The purchases are determined on indents furnished by the Store-keepers and actual purchases are made by two of them nominated by the Purchaes Committee. Cash purchases received an intial rebate of 0-0-3 in the rupee and a final

rebate according to the profits of the year. Apart from the monthly test checks of stock made by the Manager, a regular stock-taking takes place every half-year by 4 or 5 members who are not on the directorate. The shortages at the end of the half-year ending 31st December 1940, amount to Rs.110-3-1 over and above the permissible limit. Out of the total shortage of Rs.344-10-2 for the last year Rs.107-15-3 has been recovered from the staff and the rest condoned with the permission of the General Body as responsibility for it could not be exactly fixed.

The necessary stock accounts have been maintained as before but the postings of accounts have been in arrears for nearly a couple of months. One of the store-keepers in the Miscellaneous section continues to maintain the stock ledger. This should be changed.

There are three branches now, at Sreeramapuram, Seshadripuram and the north end of Malleswaram. The sales in the branchestores are as follows:-

Sreeramapuram	(as on 30th April '41)	Rs.27,909- 5- 4
Seshadripuram	(started on 22-1-41)	8,289- 2- 1
North End	(started on 2-1-41)	10,740- 8- 8

The daily sale returns in cash of the branches are received at the Head-Office at the close of the day.

Office of the Registrar of Co-operative Societies
7 JUNE 1941
No. Mark 7430

D. K. Subba Rao.
Deputy Registrar
of Co-operative Societies.

Copy of the above is submitted to the Registrar of Co-operative Societies, Mysore, Bangalore for kind perusal.

D. K. Subba Rao
Deputy Registrar
of Co-operative Societies.

...phic Address:
...O-OPERT"
Bangalore.

Cr-1-22-1/29
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GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

Dated Bangalore, 1st May 1944

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AF

FROM M. D. Venkate Urs. Esqr., B.A.
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

The Additional Secretary to
Government of Mysore,
Bangalore.

Sir,

Re: Malleswaram Co-operative Society, Ltd.

With reference to correspondence ending with your letter No.A.F.4051/C.S. dated 23-2-1944, on the above subject, I have the honour to forward, herewith, for the information of Government a copy of the notes of inspection of the society held by the Deputy Registrar of Co-operative Societies, Bangalore City Division on the 25th and 26th February 1944. A memo showing the action taken and to be taken on the points raised in the audit of accounts of the society during the last ~~year~~ three years

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years is also enclosed for perusal of Government. The working of the society is satisfactory and its financial condition is sound. Adequate attention required to be paid for the maintenance of accounts & posted up-to-date and for the rectification of the defects pointed out at the inspections and audits. Necessary instructions have been issued to the present members of the committee in the matter and they have promised to pay the attention necessary for the more efficient working of the society, particularly in the maintenance of accounts and the holding of the annual meetings more regularly. The copy of the previous notes of inspection dated 16-5-1941 is returned herewith as desired. Both the notes of inspection and the memo of action taken on the points raised in audit may be returned when no longer required.

I have the honour to be,
Sir,
Your most obedient servant,

jsp. 27/4.

Registrar.

NOTES ON INSPECTION OF THE MALLESWARM CO-OPERATIVE SOCIETY, HELD BY THE DEPUTY REGISTRAR OF CO-OPERATIVE SOCIETIES. ON THE 25TH AND 26TH FEBRUARY 1944.

The society was last inspected by the Deputy Registrar of co-operative societies, on 16-5-41. Byelaws corrected upto the end of june 1939 have been got printed. Further amendments of the Byelaws have been made in the General meeting held on 4-5-41, and 14-7-42 These amendments have been approved by the Department in Deputy Registrar's Memo, No 2422 dated 27-5-41 and 218 dated 23-7-42. respectively, and incorporated in the printed office copy. It was suggested at the time of last inspection that a certificate, to the effect that the printed copy is in accordance with the Byelaws approved by the department must be obtained. This has not been done. The same may be attended to early. Copies of the registration certificate and subsidiary rules are not posted up to date available in the Society. the Subsidiary rule are and the older amendments noted in pencil at the time of last inspection have been since inked. Further amendments may be posted early and a copy of the subsidiary rules brought up to date. The committee are empowered to frame the subsidiary rules under the byelaw No. 64 (R).

Jurisdiction and Membership:-- There has been no change in the jurisdiction of the society.

There are 2214 members on the roll at present as against 1211 at the last inspection. This abnormal increase is accounted for the ~~rest~~ rush of the members on account of the supply of controlled food-grains taken up by the society. The membership has become unwieldy and hence further admissions have been stopped since April 1943.

The Members register is maintained in the old form. New combined share and Members register is not opened yet. It is stated that the society has got the stock of printed share ledgers and that the new combined registers will be opened after the stock is exhausted. This cannot be accepted. The prescribed member and share registed should be immediately introduced. Signatures have yet to be obtained in 105 cases and nominees to be noted in about 504 cases. The entries of the names of the nominees are still being written by the staff of the society.

They are neither attested by the ~~xxxixxxxxxx~~ members, nor they are written up by the members themselves. The instructions given at the time of last inspection have not been put into action, out of the 2214 members on the roll, one member (C.Vasudevia) is said to be deceased. He has a share amount of Rs 75/- and owes to the extent of Rs 133-10-4 towards the ~~xxx~~ credit purchases. This amount is overdue for more than two months. Action must be taken to close this account, early. As many as 83 members are stated to be residing outside the jurisdiction of the society. Byelaw No 14 (1) (D) does not permit the continuance the membership of ~~these~~ these persons as they are stated to be residing outside the jurisdiction of the co-operative society for over 6 months. Hence they will have to be removed from the Members roll. This has been pointed out continuously at the time of each inspection. It is stated, as before that these members have gone out of the jurisdiction of the society temporally and have left their families here and that it oul be great hardship to them, if their membership is cancelled. Instructions to get the Byelaw suitably amended in this behalf have not been followed, monthly abstract of memberships should be prepared and placed before the committee at their monthly meetings.

A register showing the names of ~~xxxxx~~ members who are members of other similar credit societies and who have obtained exemptions, is maintained in the society. The last serial number being 276. But this is not posted uptodate, and hence the society is not in a position to give the exact number of Members who have obtainedexemptions. It is stated that several attempts have been made to ascertain exactly how many of its members are members of other similar credit societies and how many of them have obtained the required permission and exemption under rule 6 (e), but without successful ~~result~~ result. Even the circular ~~xxxx~~ notice issued to the members had not the desired effect. The committee are therefore required to take a drastic step by stopping their transactions if need be, unless the members give the required declaration. The exempted persons, who are not permitted to have banking transaction in this society, have been allowed to have credit transaction in the stores section only. It is stated that this condition is strictly followed by noting the same in the respective folio, of the share ledger and also in the pass books.

Shares:-- The registered share capital of the society now consists of 4000 shares as against 3000 shares at ~~xx~~ the time of last inspection of the value of Rs 25/- each, of which Rs 15/-per share is called up, the balance being kept as a reserve liability. The increase in share capital was necessiated to meet the demands the heavy rush of the new members. This has been duly approved by the Deputy Registrar. The members have purchased 3987 shares, toward which a sum of Rs 59,188-9-0, has been paid up to the end of December 1943. Out of the unpaid balance 616-7-0, a sum of Rs 406-7-0 is in arrears from 58 members, 56 members have not filled up even one share and many of them are overdue since 1942. It is stated that notices for forfeiting the amount have been issued to the defaulters. ~~xxx~~ Byelaw 26 may be strictly enforced on the defaulters and the amounts forfeited. The share ledger is maintained in the old form and is wanting in particulars of informations, like cash book folio and the receipt of Share and Admission fee.

Share allotment register is maintained in the co-operative society but not posted since June 1938. The same may be attended to and brought upto date. The society is issuing share certificates, to the members, but they have not been written up since 24-11-40, the last certificate number being 1499. Even the filled up share certificates have not been issued to many. The prescribed shares ~~list~~ register should be immediately opened.

Deposits:-- A common deposit ledger for both Members and Non-Members is maintained in the co-operative society. The accounts are still maintained in the old form colums have not been provided for noting, specimen signature, the receipts or vouchers supporting entries or to refer to the cash book folios, though instructed at the last inspection. The prescribed register here also should be maintained.

Current Deposits:--As on 31-12-43. There are 130 accounts of non-members with an aggregate amount of Rs 1511-5-7, of these as many as 119 to the extent of Rs 132-15-10, are dead accounts and remain unoperated since a long time. These accounts as well as the 13 unoperated accounts of Members, amounting to Rs 8-13-11, may be arranged to be closed early. The total current deposit held by both members and non members in the co-operative society amounts to Rs 41013-8-1,

at which 1½% per annum interest is paid at every half year. No transactions are said to be permitted in the case of Members without the production of Pass books and withdrawls are allowed only once a week. The dead account in the name of ~~In~~ the Ganapathi Temple is since closed. The account in the name of Secretary young Men's Mandyam association is stated to be operated by one Mr.N.A.Sreenivasan. A resolution from the association ~~is not~~ must be obtained. The C.D. account of the Malleswarm Co-operative Bank is not yet closed, the bank has been recently ~~advised~~ addressed in the matter of withdrawing the amount and closing the account. This may be expedited.

Fixed Deposits:-- The society has attracted Fixed deposits to the extent of Rs 62,204-2-1 from Members and Rs 6535-1-9 from non members at the close of the calendar year 1943. The maximum rate of interest payable on the fixed deposit is 3%. The old deposits which amounted to Rs 5025-0-0 and carried interest at the rate of 4% at the time of last inspection have since been returned. A sum of Rs 259-9-2 has matured but it has been neither ~~renewed~~ nor returned as yet. It is stated that the advice of the party is awaited. The same may be expidited. The account in the name of Srirampur rate payers Dispensary amounting to Rs 100/-opened on 30th June 1939 and is stated to be a donation given by the society to the dispensary. As instructed at the last inspection, no resolution has yet been obtained from the committee of the Dispensary, as to the person authorised to operate on this account. The co-operative society has recently opened correspondence with the committee of the Dispensary, in the matterand this is since received. The disposal of the fixed deposits, should be noted in the counter foils. A stock register to show the printed deposit receipts got printed and issued and balance should be maintained.

The provident Fund Schemem is opened to members ranging from 3 to 7 years. ~~Thexkm mkx~~ A sum of Rs18790-14-4 has been subscribed (upto 31-12-4 towards this fund. The total number in the Register of applications for subscription to the provident fund is 759, Many provident fund bonds are not returned. The total subscription towards the provident of the staff aggregates to a sum of Rs 8219-2-10 and the security deposit received from the Members of the Staff amounts to Rs 2507-0-0.

Fluid Resources:-- The following are the fluid resources of the co-operative society as per ledger of the society as on 26-2-44.

(1)	In C.D. in the Bank of Mysore	2,639- 9- 5	@ 1%.
(2)	- Do- in Malleswarm Co-op. Bank.	67,269- 5-11	@ 1%.
(3)	S.B. account in State Huzur Treasury.	1,938- 5- 8	@2½%.
(4)	Cash on hand.	122- 8- 6.	
	Total.	72,569-13- 6.	

The pass book relating to the Malleswarm co-operative Bank is available in the co-operative society and is posted up to the end of December 43. the same may be arranged to be got posted up to date. It is observed that the society is showing a balance of Rs43,939-7-5 , at the credit while the pass book shows a credit of Rs 40-135-3-0. This is not yet reconciled. The other pass books are stated to have been sent to the concerned institutions for posting the entries. Permission has not yet been obtained from the Registrar for having opened the C.D. account in the Malleswarm co-operative Bank.

Reserve Fund:--The reserve fund of the society amount to Rs56002-7-4. Asum of Rs 52,415-14-5, is the investment of the society. The details are as noted below.

(1)	State Loan Bonds.	5000/-
(2)	Share in the Malleswarm Co-Op.Bank.	25/-
(3)	Fixed Deposit in Government Savings Bank	14,500/*
(4)	Shares in Apex Bank	100/-
(5)	Provident Fund in Malleswarm Co. Bank.	39/-
(6)	Main society building	23,998/6-1.
(7)	Sri rampur Branch building.	8,753-9-4.
	Total.	52,415-14-5.

* Rs6,500/- Deposit receipt is available and Rs 8000/- deposit receipt is sent to the State Huzur Treasury for renewal.

The fixed Deposit receipts for Rs 6500/-, share certificate and the loan bonds are available in the society. The accounts of investment in fixed deposit in Malleswarm Co-operative Bank and city Co-operative Housing society, have been closed as instructed at the last inspection. It was observed during last inspection that the purchase of share in the Malleswarm Co-operative Bank, is not permissible and the Registerar had ordered its withdrawal. No action seems to have been taken so far in the matter. This should receive the immediate attention of the society. The investment of the provident fund in the same Bank is consequential on account of

the fact that every member of the Bank must subscribe for at least one bond. The sanction of the Registrar for the utilisation of Rs.8406-13-7 from the general reserve on the construction of the buildings has/since been obtained. For the balance whether the Registrar's sanction is ~~k~~ obtained may be intimated.

Loans.- There is provision in the byelaws for the issue of simple loans. special loans and instalment loans including the loans on the security of immovable property. At present the issue of loans ~~of~~ on the mortgage of ~~loans and special loans are~~ immovable property has been dispensed with and only short loans and ~~a~~ special loans are in vogue. The maximum amount that a member is entitled to is 100% and 4 times of the paid up share amount in the case of short loans and special loans respectively. The short loans are allowed to continue as almost perpetual loans. Though the period for repayment is prescribed as month, time is granted to the borrowers by recovering the interest. Neither renewal applications are obtained nor the committee's opin taken for the grant of such extension of time. It was suggested the time of last inspection that definite action should be taken a prescribed time to bring the renewals of short loans to an order action seems to have been taken so far.

~~Renewals.~~- It is very necessary that this practice should be dis continued.

The one mortgage loan amounting to Rs.383-1-7 is still pending recovery. In this case the borrower Mrs.Parvathamma has, in additio to the mortgage of the immovable property, offered as additional secu pronote ty/of Rs.1000/- executed by two persons in her favour. One of the signatories of the pronote is since deceased and repeated observ...ion by the auditors year after year stressing on the prompt and immediate action seem to have met no response. An acknowledgment of the balan of the surviving signatory of the pronote (Mr.D.Krishna Iyengar) has been obtained on 23-3-1943, obviously to save limitation.

The other loan outstanding as on 31-12-1943 amount to Rs.23705-14-6 excluding the decretal dues. Of these short loan amount to Rs.9178-5 and special loans to Rs.14527-8-8. Of the total outstandings a sum o Rs. ~~9504-3-7~~ 7517-9-5 is overdue (as on 31-12-43) as detailed below:

		Special loans.	Short loans.
1. Within 6 months	Rs.	1681 7 6	1017 11 4
2. Within 1 year		1482 1 1	816 9 11
3. Above 1 year		1660 13 6	858 14 1
Total	Rs.	4828 6 1	2693 3 4

A sum of Rs.1483-9-1 (including goods and cloth dues of Rs.826-9-1) is outstanding against 10 directors of which nothing is overdue. No overdue register is maintained in the society. In the absence of which it may not be easy for the society to have proper vigilance and to take prompt action for the recovery of the overdues. The prescribed overdues register should be maintained.

Bonds.- The bond register is maintained in a manuscript form. Though necessary columns are provided in it, they are not properly entered. Details of dates, of discharge of the loan and the return of bonds to the parties are not being noted. It is advisable to maintain the prescribed bond register. Yearly abstracts are to be put [illegible] The bonds for the issue of special loans on personal securities are being got executed in the form of joint loans.

Register of loan applications.- This is maintained for special loans only. It may be opened for short loans also.

Decrees.- The decree register maintained in the society is not in the prescribed form. It is stated that new prescribed register will be opened after the present one is exhausted and that the additional required particulars as in the prescribed register will be not in the present register. This may be done immediately. Details of the stage of pendency are not noted in the register. A sum of Rs.2063-10-2 covered under decrees in 23 cases is pending recovery on 31-12-1943. Of these the whereabouts in 3 cases are said to be not known and in one case the judgment debtor is deceased and they have become irrecoverable. The committee may scrutinise the cases and arrange for taking necessary action. In one case there a balance of Rs.0-5-8 due while a sum of Re.1-2-5 stands at the credit of the judgment debtor being the unpaid dividend, the same may be adjusted and the account closed. The other cases are pending at different stages of execution. In the case of one Bhajantri Mur[illegible] properties have been purchased on 1-11-1939 and is stated to be

consideration for amicable settlement and a sum of Rs.108-0-0 recovered and kept in suspense. No property register is maintained in the co-operative society. In two cases (including the above one) the properties have been purchased by the society and further action for obtaining possession may be ~~xxxxxx~~ expedited. Property register in the prescribed ~~form~~ form should be maintained.

Dividends and rebates.- A separate dividend register is maintained, for both dividends and rebate due to the members. A dividend of 5% and a rebate of @ Rs.0-8-0 per cent were declared at the last general meeting for the year 1941-42. A sum of Rs.& 3224-0-5 is pending disbursement in respect of both dividend and rebate.

Meetings.- 3 general meetings have been held during the period, 1942-43 and so far and 30 committee meetings are held during the current year, the last date of meeting being 14-3-1944. In the monthly meetings of the committee, the review of the D.C.B. statement of shares calls, loans with overdues, the decretal dues, the cash position and the checking of the cash balance and the monthly audit report should be undertaken. It is better to x open a book for the general meeting proceedings.

Audit.- The accounts of the society have been audited by the certified auditor up to 30-6-1942. It is very ~~xxxxx~~ unsatisfactory that accounts for 1942-43 have not been prepared and got audited. The committee auditor is stated to have been at it, with a special staff of 7 clerks. The same should be expedited and arrangements made for convening the general meeting early.

Establishment.- The establishment of the society consists of 41 members on the ministerial staff, including the Manager and 15 menials as per the approved schedule by the general body. The committee have temporarily appointed additional staff for the compilation of the annual accounts in arrears.

Distribution list of work.- There is no proper distribution of work among the members of the staff. The statement of distribution of work available in the society shows only the members of the staff working in the different sections of the society. It is desirable that each member must be entrusted with definite work so that responsibility

Staff provident fund advances.- The society is making advances on the provident fund of the members of the staff. A sum of Rs.1094-0-3 is outstanding against 9 members at the end of January 44 and no amount is overdue. Applications are obtained for the advances and disposed by the committee. The advance amounts are recovered in monthly instalments which are deducted from the salaries of the members concerned. A separate register is maintained for these advances and monthly recoveries are noted in it. The amount towards the shortage in stock for 1940-41 has also been debited to the advance account of the concerned staff members. In the case of the Treasurer and 3 other members of the staff the provident fund advance is made almost a continuous account, since 1938. Fresh advances are made for adjusting the previous arrears. Frequent taking of advances should be discouraged.

Register of account books.- No register of the account books is maintained nor are they numbered. It is very essential that a register of the account books in the society is maintained and also they are serially numbered.

Cash.- The cashier is the custodian of the cash in the society. He has offered a cash security of Rs.500/- and the limit of cash permissible to be kept by him is Rs.500/-. But this limit has exceeded many a time. The cash on hand of Rs.122-8-6 inclusive of the stamps and stamp papers produced by the ~~xxxxxxx~~ cashier was checked and found correct.

Stores section.- The society is dealing in the same kind of articles as it was at the time of last inspection. The rationed ~~xx~~ articles are now being purchased from the Government depots and distributed to the members of the society. The system of credit sales is still continuing. The maximum of credit that a member is entitle to as per byelaws is twice the paid up share amount. This is restri-ed to 80% of the paid up share amount in the case of lady members an 100% to 200% in the case of male members, at the discretion of the committee. There is also provision in the byelaws to have a permane fixed deposit to the extent of the credit required by a member over

~~above~~

above the credit he is eligible for. The maximum limit is exceeded in many instances and the byelaws are not followed regularly in this respect. Formerly statements of such excess credits issued in the society were being prepared every now and then and placed before the committee. It is very unsatisfactory that this practice has been stopped since March 1943. There are also instances wherein the goods and cloth credits are allowed to members who are defaulters in the banking section. In a few cases even the defaulters in respect of credit dues (cloth and goods) are still allowed to have credit dealings in the stores section. It is very necessary that proper control must be exercised over the issue of credit to the members.

A demand register is maintained in the society. But this is not in the regular form. It does not give the details of recoveries and the balances of each month nor is it posted up to date. Separate personal ~~xx~~ ledgers are maintained for the stores section and all the credit purchases of goods and cloth are noted therein. The limit of credit that each member is entitled to is not noted. Hence it is very difficult to make out from this register whether the issue of credit has exceeded the maximum limit or to watch the credit dealings of the members. These irregularities must be set right early. It is stated that the maximum limit of credit allowable to a member is noted in the pass books and the issue of excess credits discouraged as far as possible.

The total purchases from the beginning of the year 1942-43 and up to the end of December 1943 amounts to Rs.10,02,437-9-3. of which cash purchases amount to Rs.841140-5-10 and credit purdhases to Rs.161297-3-5. The total sales for the same period amounts to Rs.11,11,719-13-4, the cash and credit sales amounting to Rs.613968-6-11 and Rs.4,97,751-6-5 respectively. The periods allowed for the discharge of stores credits continue to be as before as one month for the provisions and 3 to 8 months for the cloth purchases payable in monthly instalments. The credit outstandings in the stores section at the end of December 1943 amount to Rs.55,046-1-1, of which a sum of Rs.7348/- was overdue as follows:

1.	Below 6 months	Rs.1379 8 8
2.	Below 1 year	4783 1 6
3.	Above 1 year	1185 5 10

Of these a sum of Rs.712-2-11 is stated to have been recovered since January 1944 and the balance still overdue.

Purchase committee consists of 8 members, 5 from the main society and three from the branches with the Secretaries ex-officio members. The committee determines the purchases on the indents furnished by the store keepers and actual purchases are made by two or three of them nominated by the purchase committee.

Cash purchases by the members receive an initial rebate of 3 pies per rupee and a final rebate according to the profits of the year. The practice of monthly test check of stock by the manager as observed at the time of last inspection does not seem to be now in vogue. A regular stock taking is made every half year by four or five members who are not on the directorate. The stock taking has been made up to the end of December 1943. It is not satisfactory to note that the stock differences statement is not prepared even at the end of June 1943. This should be immediately done.

The necessary stock accounts have been maintained in the society as before, postings of the stock ledger have been made up to the end of November 1943. The same may be completed early and the excess and shortage statement prepared. Since the commencement of January 1944 stock accounts for the central stores are opened separately by carrying forward the actual balances of articles as on 31-12-1943. From this stores the requirements of the main society and the branches are supplied on indents. The stocks in this central stores are received by the store keeper and the stock ledger maintained is posted up to date. It is necessary that the balances are struck in the stock ledger at the close of each transaction. No column for balance is provided in the register. Receipts are not noted in the store ledger.

There are 3 branches, as before at Srirampur, Seshadripuram and North end of Mallaeswaram. The sales in the branch stores are as follows:

		Cash.	Credit.
1. Srirampur (from July 42 to Dec.43)		73465-4-2.	50023-1-2
2. Seshadripuram	-do-	98424-3-0	69520-8-9
3. North end	-do-	87202-2-7	88166-8

The daily proceeds of the cash sales of the branches are receive head office.

Merchant dues.- Though a ledger is maintained it is posted up to the end of June 1943. The balance due to merchants as per this ledger amounts to Rs.7979-0-10 up to the end of June 1943. The dead and unoperated accounts in respect of the merchants dues must be arranged to be closed early after taking the necessary action in the matter.

General.- The working of the society is satisfactory and its financial condition is sound. But adequate attention is not paid to the auditor's report and the up to date maintenance of the account There are many points in which action has not been taken. A list of such points is prepared and sent as an enclosure. It is hoped that the committee will now at least see that they are attended to. There seems to be no coordination among the staff. Proper control and supervision over the staff is quite necessary. For this purpose the services of strong Manager or An Assistant Secretary with adequate powers are quite essential. He should be held responsible for the up to date maintenance of the accounts and several registers. Similarly the services of a qualified auditor is necessary for internalaudit and day to day checking. The directors of the society were informally met by me and the points arising out of the inspection notes and other incidental matters ~~xxxxxx~~ connected with the working of the society were discussed with them. It is trusted that the committee will rise up to the occasion and kindly see to the rectification of the defects noticed, efficient management of the society and the early holding of the annual general meeting.

Sd. M.D.Venkate Urs
Deputy Registrar

2863e8
8/4/44

Copy of the above is submitted to the Registrar of Co-operative Societies in Mysore, Bangalore, for kind perusal.

K.V.S.

Office of the Registrar of Co-operative Societies
10 APR 1944
No. 6169

Put up with the file 10/4/44

Deputy Registrar

Statement showing the audit objections for the past 3 years and action taken thereon in the Malleswaram Co-op. Society Ltd.

Auditors remarks.	Committee's replies.	Action taken and remarks.
1939-40. 1. Specific sanction of the departmental authorities has not been obtained for having written off by a debit to bad Debt Reserve fund a sum of Rs.526-10-0 due in 5 cases.	The proceedings were recorded by the Department.	No specific sanction is obtained by the Depart-ment so far. This may be obtained at an early date.
2. Sanction of the departmental authorities has not yet been obtained for having utilised out of the general and building reserves the amount that has been spent during the year for the extension of the main building and construction of the branch bank building at Srirampuram.	The matter is pending with the Department.	During the year 1939-40 a sum of Rs.6540-7-1 has been utilised for the site and building of Srirampuram branch. Sanction of the Department for utilising a sum of Rs.8406-13-7 from the Reserve Fund is obtained in Registrar's memo No.13762 C.S. dated 10-6-1941. For the entire cost of the buildings as shown in the balance sheet (which is met out of the Reserve Fund) the Registrar's permission is necessary. Arrangements should be made to obtain this. It is to be pointed out that the Registrar's sanction should be secured before spending any amount out of the Reserve Fund.
3. The society holds one share in the Malleswaram Co-operative Bank Ltd. which has been required by the Registrar to be withdrawn for membership in another primary society being not permissible.	The question is under the consideration of the committee.	No action is taken in the matter. As final orders have been passed by the Registrar of Co-operative Societies in the matter, the share should be withdrawn without any more delay.
4. In respect of dividends, dues to merchants and dues to owners of commissioned articles, the following balances have been outstanding without any claim for a number of years. Whether they may not after due formalities be merged in some fund on the liabilities side is a point for consideration: Dividends. Rs. 374-10-2 Dues to merchants. 143-8-10 Dues to owners of commissioned articles. 13-15-9 Total 532-2-9	The matter is engaging the attention of the committee.	No action is taken in the matter. These require the early attention of the committee These accounts are to be closed.

1940-41.

1. During the year under report the statement of deficiency under stock has been prepared by the management. The value of total shortage in closing stock has been fixed at Rs.235-3-11 for the whole year. Out of the shortage of Rs.110-3-1 detected as a result of stock taking at the end of 31-12-1940, Rs.6-4-3 relating to Srirampur branch has been waived by the committee of management. The balance of shortage relating to the main society has to be considered along with the years' deficiencies at the end of the year.

Vide para 12 of the report.

As per the report (para 12) the aggregate shortage value for the year is as noted below:

Goods	Rs.		
Cloth & Miscellaneous	25	3	7
Srirampur branch	167	0	0
North end branch	12	13	7
Seshadripuram branch	10	14	8
	6	4	1
Total	Rs. 222	3	11

Out of the above total shortage of Rs.222-3-11 the committee recommended that a sum of Rs.15-14-8 in goods section and Rs.120-4-8 in miscellaneous section be recovered from the staff concerned and the balance be waived. The shortages in the branches being small the entire amounts were recommended to be waived. But the difference of Rs.13/- between the figure of the auditor and the figure arrived at by the committee is not reconciled. According to the recommendations of the committee the general body at their meeting held on 7-12-1941 resolved that a sum of Rs.136-3-5 be recovered from the following members of the staff against whose advance accounts the amounts noted against each have been debited on 31-12-1941.

	Rs.		
S.Gundu Rao (goods section)	19	11	5
H.K.Subba Rao (Misc.section)	4	6	9
C.A.Krishnaswami Rao (-do-)	39	13	4
U.Ramanathan	20	1	11
A.Srinivasa Iyengar (Mis.Section)	52	2	0
Rs.	136	3	5

2. In 181 cases involving a sum of Rs.1093-10-0 the members concerned have been allowed credit in excess

This has been reduced to 34 cases and Rs.239-12-2.

The system of allowing credits in excess of the permissible limits does not seem to have been checked and minimised. Byelaws in this respe

3. Decree amount due. Rs.2620-2-1.
Out of the above a sum of Rs.1280-2-11 due from the following ex-members is stated to be bad and irrecoverable.

Decree L.F.	Amount.
13	Rs. 594 13 1
86	77 12 4
98	78 2 11
116	178 5 7
117	154 7 10
131	16 6 3
135	37 5 8
138	24 3 4
141	53 0 8
142	55 9 5
	Rs.1280 2 11

Out of the 10 cases referred to by the auditor as bad and irrecoverable, in one case (L.F.117 the balance has been recovered in full and the other cases still remain pending adjustment. These cases should be examined and settled early.

The bad debt fund in the society amounts to Rs.1660-7-6 as on 30-6-1942 as against this bad debt.

The amount of bad Debt Reserve requires to be augmented in view of the fact that the amounts of bad and doubtful debts are on the increase.

Noted. But at present we have more reserve than the actual bad and doubtful debts warrant.

4. Special loans.-

** **
There is a tendency to increase under overdue loans. This is due to prompt action not being taken as required under byelaw No.84. The recovery should be keenly watched and the increasing tendency to become overdue should be checked. Particular attention is drawn to account Nos.8,330, 769, 1148,1284,1430 and 1713.

Action is being taken.

The overdue loans in respect of account Nos.8, 769 and 1713 have been recovered since and the other 4 cases still remain overdue. Notice thx n are stated to have been issued in these cases. Action should be taken against them by filing disputes.

5. In the case of account No.8/203 the assets and liabilities of her deceased husband are transferred to her name. But the bonds and the other documents are still in the name of the deceased. No fresh documents have been got executed by the lady when the accounts were transferred to her name.

No remarks.

It is seen that this relates to the case of one Mrs.Lakshminarasamma and no action seems to have been taken to obtain fresh documents from her so far. The amount should be recover-ed very early failing which immediate action should be taken for its recovery..

6. The dues of the following account numbers are bad and doubtful of recovery. B/203 330 1375 1439 1758 1284 Total	Rs. 49-0-0 58-3-6 84-0-0 7-4-1 26-0-0 21-0-0 Rs. 245-7-7	No remarks.	Out of the 6 cases of bad and doubtful debt referred to by the auditor in one case Account No.1375 the amount has been arranged to be written off as per the general body resolution dated 7-11-1942, the other cases remaining still unattended to. It is stated that they will be arranged to be written off after exhausting all the possible resources and means of recovery. This should be expedited.
7. The immovable property loan: Rs.383-1-7 A sum of Rs.191-1-7 is being long over due under this head. One of the signatories to the pronote of Rs.1000/- give by the member as collateral security for the loan is since deceased. Immediate action for recovery should be taken.		Action is being taken.	This refers to the case of one Mrs. Parvathamma, which remains unattended to though observed by the auditors year after year. In this case the borrower in addition to the mortgage of immovable property has offered as security a pronote of Rs.1000/- executed by two persons in her favour and has duly endorsed the same in favour of the society. One of the executant is now deceased and an acknowledgment for the balance of the dues (after having recovered a portion of the loan) is obtained from the surviving executant Mr.D.Krishna Iyengar, Advocate, on 23-3-1943 in all probability to save the limitation. He is not a member of the society. No amounts have been recovered since then and no action is taken for the recovery of the dues in this case in spite of the repeated pressures by the auditors year after year. The delay in the matter may be explained. It is not satisfactory to note that the auditor's remarks are not attended to. Immediate action should be taken.
8. Short loans.- There are a number of items wherein the parties have not paid interest on the above loans and renewed them e.g. Nos.701,532,975,1003,1039,1439, 1793 and B/203.		Necessary action will be taken to call up the loans.	Out of these 8 cases it is seen that in 3 cases a/c Nos.701,1039 and 1439 the loans are still pending recovery and no action seems to have been taken though they are overdue since a long time.

9 Advances. Under this head there are three items amounting to Rs.25-10-0 which are not recoverable and have to be written off.	Action is being taken tc recover the dues. We may wait for some time before writing off the amount.	There is still a balance of Rs.23-8-0 pending in 2 cases and they have not been yet arranged to be adjusted. This relates to the advances made to Mr.K.Rama Rao (Rs.17-8-0) and to Mr.K.Seshappa (Rs.6-0-0).
10 Shares. The amount of calls unpaid namely Rs.863-12-0 includes a sum of Rs.49-4-0 which is overdue by 7 members for more than three months. There are a number of cases who have left the jurisdiction but action has not been taken as required under byelaw No.14(d).	This is under the consideration of the committee.	Notices are stated to have been issued to the share defaulters in March 1943 but no further action seems to have been taken in the matter Share calls to the extent of Rs.406-7-0 are overdue at present by 58 members of whom 56 have not filled up even one share. The byelaw should be strictly enforced in this respect It is stated that the members that have left jurisdiction have left only temporarily leaving their families here who are making purchases in the society. If these accounts are closed their families will be put to much inconvenience.
11 Suspense. Rs.602-12-5. This is arrived at after deducting a debit item of Rs.30/- out of the total credit balance. This sum of Rs.30/- is debited in suspense as a result of loss of cash of Rs.30/- on 4-3-1941 stated to have been given to the office boy for bringing change. It has been debited to suspense on 9-3-1941. The committee is stated to have resolved recently to make good a portion of the amount (Rs.19 and odd) out of the salary and provident fund that is available at the credit of the office boy and the balance (Rs.10 and odd) has to be written off if the responsibility cannot be fixed on any body else.	This has been recommenced to be written off the accounts.	This has been written off the accounts on 30-6-1942 as per the general body resolution, the amount written off being Rs.10-14-10.
12 There are a number of old accounts of small credit balances under the following heads, which are to be notified and the account closed. In Savings Bank account. Rs.139-13-7 Due to commissioned article owners. 13-15-9 Due to merchants. 143-8-10	This is under the consideration of the committee.	The old accounts are not closed yet. They should be closed early.

13 profits. A sum of Rs.321-2-1 is taken to the above account from the interest on investments due and undrawn for which Registrar's sanction is not obtained.

This is being done as usual and the Registrar's sanction has been applied for.

Registrar's sanction has been obtained in Memo No.5552 C.S. dated 19-11-41 for the utilisation of Rs.321-2-1 as profits for the year 1940-41.

14 1941-42.- 1. Shortages in stock. There has been an inordinate delay in the preparation of the statements of excess and deficiencies in stock detected as a result of stock taking for the half year ending 31-12-1941. The committee has yet to take action in this matter. The total deficiency in stock including branches amounts to Rs.227-9-3..... Similar statements for the half year ending with 30-6-42 have not been prepared though the verification of the stock as on that date had been completed long back. It is seen that even correct closing balances in the stores ledgers have not been struck for that period.

The quantity statement working out balances, receipts and issues relating to half year ended 31-12-41 had been prepared before May 1942 and the valued statements were done later owing to pressure of work due to expansion of the society's transactions. The total shortage works out to Rs.924-12-5 as explained in para 12 of the report i.e. as detailed below:

	Total shortage.	Amount to be recovered from staff.
	293 12 8	
Goods.		234 7 1
Cloth & Misc.	461 13 5	458 2 7
Srirampur Br.	66 8 4	30 11 9
North End Br.	56 3 2	28 12 11
Seshadripur Br.	46 6 2	23 7 10
Rs.	924 12 0	775 10 2

And a sum of Rs.775-10-2 has been recommended to be recovered from the staff concerned and the balance of Rs.149-2-3 being recommended to be waived.

On the recommendation made by the committee the general body at their meeting held on 16-5-1943 resolved for the recovery of Rs.775-10-2 from the staff members. The committee have not so far fixed up individual responsibilities on the staff concerned and taken action in the matter. This should receive the immediate attention of the committee.

2. Dues from members.- The overdue amounts at the end of 30-6-1942 are more than those at the end of 31-12-41. Regular and prompt action is necessary to improve and collections. Particular attention is drawn to the following account Nos.- 8,370,603,638,701,749,& 752, 769,780,825,833,837,917,918,945,959,961,988, 992,1019,1027,1069,1099,1103,1122,& 1151,1263,

Every effort is being made to reduce the outstandings out of the accounts pointed out in the report moneys have been subsequently recovered in 36 accounts. The number of cases of overdues on 31-12-41 was 195 while the number on 30-6-42 is 165.

Of these 76 cases in 5 cases viz. account Nos.1284,1430,1480,2000 and 2030 the amounts are still pending recovery and are overdue since a long time. In the other cases the overdues are recovered since. Early action should be taken for its recovery.

1264,1334,1374,1376,1402,1406,1414,1425, 1430,1470,1498,1505,1507,1515,1517,1525, 1630,1645,1658,1701,1702,1704,1706,1713, 1736,1745,1751,1758,1769,1775,1786,1788, 1792,1829,1870,1897,1899,1903,1915,1480, 1939,1940,1947,1948,2000,2030,2058,B101, and B204.

3 A sum of Rs.168-8-11 due by 3 members account Nos.8,1480,1559 may prove doubtful of recovery.

No remarks.

In the case of account No.8 the balance is recovered in full and the other two cases are still pending. Early action should be taken for its recovery.

4 Decretal amounts due. Given below are some of the items considered bad and doubtful of recovery based on the information furnished by the office.

	L.F.	Balance.			Remarks.
1.	36	594	13	1	Bad.
2.	98	72	11	1	Bad
3.	86	64	5	3	Bad
4.	116	175	0	5	Bad
5.	131	8	15	11	Bad
6.	134	100	11	5	Doubtful
7.	135	30	15	0	Doubtful
8.	138	18	11	0	Bad
9.	141	46	1	4	Bad
10.	142	47	9	3	Bad

In addition to item No.1, item No.2 and No.4 may prove bad in the light of the informations received from the revenue authorities. In the other cases revenue authorities and departments concerned as well as parties themselves have been addressed in the matter.

No action is taken either to write off the bad and doubtful decrees or to arrange for their execution. It is stated that they will be written off after waiting for some more time and see if anything can be recover-ed in the meanwhile. Sufficient attention is not being paid to the execution of the decrees pending. The revenue authorities and x this office should be frequently addressed in the matter.

In the statement of Bad and Doubtful debts prepared by the management, they have shown the amount due under item No.1 as bad and the amounts due under item Nos.2,3,4 and 5 only as doubtful of recovery. Necessary steps have to be taken for executing the decrees obtained.

In the execution of decrees against two of the judgment debtors (father and son) a sale has been held in favour of the society. Though the sale deed was got

Amildar, Bangalore North Tk., has been addressed to deliver possession of the property.

This refers to the case of Bhajanthri Muni-appa and his father. A sale is held in favour of the society and a sale certificate is obtained. But possession is not yet taken.

executed long back the possession of the property is not taken as yet.

It is stated that the case is under consideration for the amicable settlement. The judgment debtor has paid so far a sum of Rs.108/- towards the settlement of the dues and the amount is kept in suspense. The balance should be recovered immediately failing which the possession of the house may be taken.

5 Special loans.- Action as required under byelaw No.84 has not been taken for the recovery of overdues. The following are instances where the members concerned have neither made any payment towards principal nor interest though the period of default range from 4 years to 3 to 4 months. Account Nos.8,330,638,749,996,1096,1148,1151, 1284,1430,1439,1536,1555,1575,1713,1758,1787, B203,1870,1470,(959 & 2029 joint loan), (1970 and 1979 joint).

No remarks.

Out of the long overdue cases noted by the auditor at the time of audit the accounts in 9 cases viz., 638,996,1284,1430,1439, 1536,1575,B203 and 1470 still continue as overdues and the others are recovered since No action seems to have been taken for the recovery of these long overdue cases. This is not satisfactory.

In the case of the joint loan sanctioned to members 970 and 1979, the principal debtor is a dismissed attendar of the society.

No remarks.

This loan refers to the case of one Giriya a dismissed attendar who is a defaul-er to the extent of Rs.21/- due by him since 26-3-1943. The surety in this case is one Munigesha Setty who is also a de-faulter in his personal account to the extent of Rs.5/- since 8-9-1943. No action has been taken for the recovery of these overdue loans. Immediate action should be taken for its recovery.

6 The amount due in the following cases may prove bad and doubtful of recovery.

Account No.	Amount.		
8	184	0	0
330	49	3	6
749	75	0	0
996	45	0	0
1284	21	0	0
1430	26	0	0
1439	7	4	1
1758	25	0	0

The position on 30-6-1942 shows improvement over that on 31-12-41 and every effort is being made to recover. In some of the cases moneys have been subsequently received either towards interest or principal and action will be taken in other cases.

Out of the 8 cases stated to be bad and doubtful of recovery the amounts in two cases have been recovered in full (in Nos.8 and 749) and in one case No.996 D.Madhu Rao a sum of Rs.9-10-0 is recovered towards interest. Notices are stated to have been issued in the case of Nos.996,1430 and 1439 and no action is taken in the other cases. Early action should be taken for its recovery.

	Short loans.- It is found that no action has been taken to see that members do not default to pay interest on their short loans to keep their transactions current. The following are instances wherein the members have not paid interest on such loans from a long time. Account Nos.8,603,701,992,1003, 1039,1046,1083,1151,1425,1439,1470,1508, 1515,1619,1751,1757,1787,1977,1983.	Action is being taken in the matter. In most of the 28 cases pointed out by the auditor, the principal of the loan due only can be set off against the assets and the accounts will be closed after adjusting the dividend earned towards interest as far as possible.	Of the 20 accounts in 13 cases the amounts have been recovered in full and the accounts closed. In 7 cases viz, Nos.701, 992,1039,1046,1425,1470,and 1751 the balances are still pending recovery and no action has been taken for their recovery. They should be recovered early.
8	Immovable property loan.- Rs.383-1-7. In spite of repeated observations made in the previous reports suitable action has not been taken for the recovery of the dues. Prompt action is necessary for its recovery failing which it may prove doubtful of recovery.	Necessary action is being ix taken.	This refers to the case of the balance due by one Mrs.Parvathamma referred to in the report for 1940-41. As the auditor has observed repeated observations are made but to no fruitful results. The facts of the case are explained in the review of the last year's report. It is to be obser-ed that this case requires immediate attention.
9	Advances.- Two items of Rs.17-8-0 and Rs.6-0-0 being the balances out of the amounts paid for the long service and push cart on 20-12-1939 and 11-11-1938 respectively are not recoverable and hence to be written off.	These appear to be doubtful of recovery, efforts will be however made to recover.	These advances of Rs.17-8-0 and Rs.6-0-0 refer to the amounts paid to K.Rama Rao and K.Seshappa respectively. Though they are proved irrecoverable no action has been taken yet for their writing off from the accounts. It may be explained why no ~~ha~~ prompt action taken for its recovery.
10	Details for the two sums of Rs.5-0-0 and Rs.4-6-0 said to have been paid for legal expenses and court costs and are to be obtained and debited to profit and loss account if the expenses are of revenue nature.	Out of the sum of Rs.4-6-0, a sum of Rs.2-4-0 represents the stamp charges incurred in filing a suit against a member and this amount will be adjusted to the decree account after the decree is obtained and for the other sums amounting to Rs.7-2-0 details have been called for.	It is seen that the sum of Rs.2-4-0 is adjusted to the court cost account and out of the balance of Rs.7-2-0, a sum of Rs.5/- is stated to relate to the court costs incurred in connection with a suit by one Mohammad Ghouse against the society and has since been adjusted to the revenue account. The details for the remaining sum of Rs.2-2-0 is yet to be traced.

11	An amount of Rs.75/- has been advanced to an oil-monger without any bond but treated as repayable loan carrying interest at the rate of 7½% per annum.	The oil mills are located in the Sriramapur Branch and advance was made to create facilities to the members. The advance outstanding on 30-1-43 is Rs.6-4-0.	It is stated that the advance was made for obtaining an ensured supply of oil to the society in spite of the fact that the oil-monger was a non-member. The balance of Rs.6-4-0 on 30-1-43 is since fully discharged. He is now made a member and regular loan issued as per byelaws. There is a sum of Rs.64/- outstanding against him at present.
12	Investment and buildings. The matters regarding a) the approval and sanction for holding the share subscribing to the provident fund in the Mallesvaram Co-operative Bank, and b) utilisation of amounts out of general and building reserves for purposes of building extensions do not seem to have been considered by the committee.	This is engaging the attention of the committee. Sanction of the Registrar has been obtained in his Memo No.13762 C.S. dated 10-6-1941.	This was observed in the last audit report as well and yet no action has been taken in the matter. It is to be observed that the Registrar has objected for the continuing of the membership of the institution in the Mallesvaram Co-operative Bank. The amounts utilised for the buildings amount to Rs.23,995-5-1 in the case of main building and to Rs.8753-9-4 in the case of Sriramapuram Branch building. But the society has obtained permission of the Registrar in Memo No.13762 C.S. dated 10-6-1941 for the utilisation of Rs.8406-13-7 from the reserve fund and a sum of Rs.3995-12-4 from the building reserve. It may be intimated whether the Registrar's sanction is obtained for the balance
13	Share capital. Out of the amount of Rs.261-8-0 being the calls in arrears a sum of Rs.71-8-0 is overdue for more than three months outstanding against 10 members. There are a number of accounts whose membership are to be closed as they come under either clause (c) or (d) of byelaw No.14.	The share ledgers will be reviewed and further action taken wherever necessary.	The arrears of share default have accumulated and no action seems to have been taken for their enforcing of byelaw 14. It is stated that final notices have been issued in all the cases of the share default. Byelaws in this respect should be strictly enforced.
14	General suspense. Rs.595-5-4. This includes several items of balances due to deceased members carried on from a long time. All such items may be notified and action taken to close the accounts.	Necessary action will be taken.	No action is taken yet to close the accounts as suggested by the auditor. This should receive immediate attention.

5	Details of for a sum of Rs.75/- received on 14-12-1941 through a treasury on cash memo order have not been got as yet and the necessary adjustments made.	Cash order for Rs.75/-. Treasury officer of Nelakaluru Taluk from which cash order was issued has been written to furnish information.	It is stated that no reply is received from the Treasury Officer as yet. The matter is pending for over 2 years and it is to be observed that immediate action is necessary in obtaining the details of information and adjusting the amount to the respective account.
16	In respect of Savings Bank accounts, dues to commission article owners, dues to merchants and dividends unpaid, there have been balances outstanding without any claim for a number of years. To close such balances after due notification to some fund head is a point of consideration.	No change in the procedure is necessary.	It is to be observed that almost every year this observation is being made by the auditors and the committee have been replying that the matter is engaging the attention of the committee. But now the committee have opined that no change in the procedure is necessary. The accounts are all dead ones and are continuing for several years and are serving no purpose and hence it is not desirable that these accounts should be continued. The committee members are requested to see that action is taken and these dead accounts are closed early.

Deputy Registrar

4/3/42

Appendix F. G.—1]

100

SUBJECT.....

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Section C-S.

File No. C-S-1-42

Serial No. 130

Diary No. of letter replied to.....

No. A. Fe. 710.

General and Revenue Secretariat

( )

the *194* .

To

The Registrar of
Co-operative Societies in
Mysore

Date of issue 1-8-44.

Signed by H M S

Sir.

With reference to your Confidential Note No 12139 CS Dt 25-5-1944 recommending among matters that Messrs Bhima Rao and Ranjinda Rao may be debarred from serving on the Committee of the Malleswaram Co-operative Society Bangalore for a fixed number

List of enclosures.....

Codied by.....

Examined by.....

WD 04161—GPB—60,000—24-10-41

of years, the necessary powers thereto being vested in the Registrar under the Rule-making powers of Govt, I am directed to invite reference to the G.O. Note No 521 of 10.11.1943 of your predecessor in Office stating that the amendment to Rule 21 of the M.C.S. Act providing among other items for ~~the~~ debarring or disqualifying any member of a Society from holding an office for a fixed number of years as notified in Govt Notn No A7 391/CS. 17-41-33 of 25.7.1942 was an unnecessary encroachment on the autonomy of Co-operative Institutions and also to his letter No 2196 CS of 17.8.1943 proposing revised rules on the subject which were subsequently approved by Govt.

It is not clear from your unofficial note of 25.5.1944 why you consider it necessary to debar the two gentlemen referred to above notwithstanding the fact that such a step was considered ~~necessary~~ unnecessary by the previous Registrar which was also accepted by Govt.

I am to request you kindly so good as to furnish as soon as the above information to Govt at an early date.

I have etc

Secy to Govt
Coms Co-op

C.S. 1-42-13

1047
A7

C. F. No. 45]

GOVERNMENT OF MYSORE

Tele gram / phone

No. 28468
Encls. 1

OFFICE OF
The Registrar of Co-operative Societies
in Mysore,

Date 25th August 1944.

To

K. SUBBA RAO, Esq., B.A.,
Secretary to Government,
General Department, Bangalore:

2 AUG 1944

Sir,

With reference to your No.A.F.710/C.S.1-42 dated 1st August 1944, enquiring why it is considered necessary to debar Messrs. Bhima Rao and Nanjunda Rao from serving on the committee of management of th Malleswaram Co-operative Society, for a fixed number of years, I have the honor to note below an extract from my un-official note No.12139 dated 25th May 1944:

> "On the other hand, there is need for purification from within. Members like Bhima Rao and Nanjunda Rao, who have been seriously found at fault with by a Sub-Committee appointed by the general body of the Society should at least be debarred from serving on the committee for a fixed number of years, as suggested by the Deputy Registrar of Co-operative Societies in one of his letters to the Registrar, copy of which is in the file, the necessary powers therefor being vested in the Registrar under the Rule making powers of Government".

Though my predecessor has considered such a thing as an unnecessary encroachment on the autonomy of co-operative institutions, I think it is necessary that, in the larger interests of the movement, persons who commit acts, which are very prejudicial to the institutions concerned, should not only be removed from the committees of management but should be prevented from serving on the committees, thereby rendering purification of the institutions concerned possible. I may in this connection add that according to Rule 48 A of the Bombay Co-operative Societies' Rules (copy enclosed for ready reference), the Registrar has got powers not only to remove a person from the Committee of management of a society but also to remove him from membership altogether, thereby depriving such person from the benefits of the

A

co-operative society. If such a rule is not considered to be an encroachment on the autonomy of co-operative institutions, I think that what I have suggested in my note is not at all an encroachment. If societies are worked strictly on co-operative principles and with integrity, there is no reason why such powers should be vested in the Registrar. It is because experience has taught us that it is such persons that have got the vote-catching ability and actually get elected to the committees of management and are allowed to continue in their career, even when their acts are brought to light, that such a power has to be conferred on the Registrar. However, I shall place this matter before the Advisory Committee once again at its next meeting and I shall submit their views with my further remarks, if any, for the final orders of the Government.

I have the honor to be,
Sir,
Your most obedient servant,

Registrar.

"48 A (1) Notwithstanding anything contained in these rules or the bye-laws of a society, the Registrar may, by an order in writing, require a society to expel any member or to remove any officer from his office, within such time as he may specify in such order, if such expulsion or removal appears to him to be necessary or desirable in the interest of the Society.

(2) If such society fails to comply with such order within the time specified therein, the Registrar may, after giving the society an opportunity of being heard, and consulting the Bank, if any, financing it, issue an order expelling the said member from the Society or removing the said officer from his office and the said member or the said officer shall be deemed to have been expelled from the Society or removed from his office from the date of such order".

"Copy"

for Registrar.

46] GOVERNMENT OF MYSORE

...cls. Lb 697 cs 11-3-46

OFFICE OF, C/L-62-13 Office of the Registrar of Co-operative Societies

Date Bangalore . 1946.

To:

The Secretary to Government,

General Department, Bangalore.

A&I 11/3

4431 A.F

Sir,

13 MAR. 1945

With reference to your letter No. A.F.4052/C.S. dated 18-2-1946 enquiring if the subject of debarring members of societies who commit acts prejudicial to the interests of societies from serving on the committees of management of societies was placed before the Standing Advisory Committee of Co-operators for consideration, I have the honour to state that the subject will be placed before the next meeting of the Standing Advisory Committee and the result or the discussions will be communicated.

I have the honour to be,
Sir,
Your most obedient servant,

S. Nanjappa 11/3/46
Registrar in charge.

jsp.9/3.

Appendix F. G.—1]

SUBJECT..... Immediate

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.....

Section C1

File No. 1-42

Serial No. 133.

Diary No. of letter replied to.....

No. A74052

General and Revenue Secretariat

( )

the 194 .

To.

The Regr of C.S.

Sir.

Date of issue..... 18-2-46

Signed by..... With reference to the correspondence ending with your letter No 2846 C.S. dt 25.8.44 suggesting that the members of the Societies who commit acts prejudicial to the Societies concerned should at least be debarred from serving on the Committee for a fixed number of years etc I am directed to enquire whether the matter was placed before the Advisory Committee and if so, to request you to

List of enclosures.....

Copied by.....

Examined by .....

WD 0874—GPB—25,000—20-11-45

Submit a final reply in the matter
with your definite opinion within
a week.

Thanks etc.

for
Jt Secy to Govt
dt 13/2/46

Cs. F-42-134.

786
A.F

C. F. No. 45]

GOVERNMENT OF MYSORE

Telegram
Phone

OFFICE OF
The Registrar of Co-operative
Societies in Mysore, Bangalore

No. 1854 CS 46-47
Encls. 16.8.46

Date August 1946.

To

The Secretary to Government
of Mysore, General Department,
Bangalore.

19 SIR, AUG. 1946

Subject: Amendment of Rule 21 of the Mysore Co-operative Societies Rules.

With reference to correspondence ending with my letter No.10697 C.S. dated 11-3-46 regarding the amendment of Rule 21 of the Mysore Co-operative Societies Rules so as to empower the Registrar to debar persons who commit acts prejudicial to the interests of societies from serving on the committees of the concerned societies for a fixed number of years etc., I have the honour to state that the subject was considered by the Standing Advisory Committee of Co-operators at their meeting held on 3-8-46 and they were of opinion that such a provision was necessary in the best interests of Co-operative Societies and that it would have a salutary effect. I therefore recommend that Rule 21 may be amended as follows:

21 (1). It shall be open to the Registrar to order the removal of any officer of a society and also disqualify or debar him from serving on the committee or from holding any office in the society for such period not exceeding three years as he may deem necessary, if he is satisfied that such officer has acted or has been acting fraudulently or with gross negligence or in contravention of the byelaws and subsidiary rules of the society or without the sanction of the committee of management when such sanction is necessary or contrary to the resolution of the committee of management or against the lawful written orders issued under the provisions of the Mysore Co-operative Societies Act and Rules thereunder or in any way prejudicial to the best interests of the society.

Provided that (a) the Registrar shall give such officer a full opportunity to explain his conduct; (b) the committee of management of the society concerned shall also be heard or given a reasonable

P.T.O

opportunity of being heard in the matter; (c) the objection to the continuance of such officer shall be recorded in full and communicated to the committee of the society and the officer concerned, and (d) an appeal by the officer affected shall lie to Government within one month from the date of receipt of such orders of the Registrar by him.

(2) Any person against whom an order is passed under clause (1) of the rule shall not be eligible to be an officer or serve on the committee of another registered society in Mysore during the period the disqualification operates.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

jsp.14/8.

2218/AF

THE SHIMOGA CO-OPERATIVE BANK, Ltd.,

All Communications to be addressed to the HONORARY SECRETARY

27 NOV. 1946

SHIMOGA,

21st November 46.

Ref. No. 562 22/11/46

The Secretary to Government,
General Department,
BANGALORE.

Sir,

With reference to your Notification No.A.F.2163 C.S. 1-42-135 dated, Bangalore, the 11th October 1946 for the general information published on page 462 of the Mysore Gazette Part IV of October 17, 1946, calling for objections to the draft amendment of Rule 21 of the Rules under the Mysore Co-operative Societies Act VII of 1918, I have the honour to state that the matter was considered by the Committee of Management of the Bank. They are of opinion that in the interests of the growth and development of the Co-operative Movement in the State it is not desirable that such highly severe punishments should be in the armoury of any person.

The draft rule is also opposed to all principles of democratic organisations, and it is a retrograde step to arm the Registrar with such severely punitive measure. The Committee of the Shimoga Co-operative Bank are not therefore in favour of the proposed amendment.

I have the honour to be,
Sir,
Your most obedient servant,

Hon. Secretary.

G. R. S. III—3]

ROUTINE NOTES

[To be used only for notes, requisitions, etc., not intended for permanent record.

Subtt. If approved, this will be placed in the file which will have to be taken for consideration after 11.12.46.

27/11

The suggestions, criticisms, etc in regard to the proposed amendments may all be considered by the Later Govt Body

27-11

4268

29/11

N.B.—*should routine notes be written on small slips, the notes must be copied or slips pasted on this form.*

WD 0873—GPB—25,000—20-11-45

2278

THE SHIMOGA HOUSE-BUILDING CO-OPERATIVE SOCIETY, LTD., AF

All communications to be addressed to the HONORARY SECRETARY.

SHIMOGA.

30 NOV. 1946

DATED 26th Novr. 1946.

Ref. No 30

The Secretary to Government,
General Department,
BANGALORE.

Sir,

With reference to your Notification No.Af.2163/C.S. 1-42-135 dated 11-10-1946 for the general information - published on page 462 of the Mysore Gazette Part IV of October 17, 1946 calling for objections to the draft amendment of Rule 21 of the Rules under the Mysore Co operative Societies Act VII of 1918, I have the honour to state that the matter was considered by the Committee of Management of the Society. They are of opinion that in the interests of the growth and development of the Co-operative Movement in the state, it is not desirable that such highly severe punishments should be in the armoury of any person.

The draft rule is also opposed to all principles of democratic organisations, and it is a retrogade step to arm the Registrar with such severely punitive measure. The Committee of the Shimoga House-Building Co-operative Society are not therefore in favour of the proposed amendment.

I have the honour to be,
Sir,
Your most obedient servant,

Jk. Ananta Ramaiah
Hon. Secretary.

G. R. S. III—3]

ROUTINE NOTES

[To be used only for notes, requisitions, etc., not intended for permanent record.

Subtd. If approved this will be placed in the file, for being taken for consideration after 11.12.46.

30/11

30/11

N.B.—should routine notes be written on small slips, the notes must be copied or slips pasted on this form.

WD 0873—GPR—25,000—20-11-45

C.S. 1-42-135

A7.2163

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

Dy 11 10/ct

Gm. mr. & c

issued with its notification No A7.1676/cs 19-39-35 of 20-9-40

Notification

In exercise of the powers vested in Him under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Govt of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft amendment to Rule 21 of the Rules under the Act in respect of the removal of the members of the Committees of Management of Co-operative Societies.

Any objections or suggestions in regard to the proposed amendment may be sent in writing to the General Secretary to Govt within two months from

WD 0282—GPB- 22,500—14-3-38

the date of the publication of this notification in the Mysore Gazette after which date the draft will be taken up for consideration.

Any objection or suggestion received after the due date will not received consideration.

"Substitute the following for Rule 21 of the Rules :—

please type the portions marked in red ink in the enclosed letter "

B.O.

Genl Secretary.

To

The Compiler Mysore Gazette for publication in part IV of the Gazette in English and Kannada with the request that 50 copies of each of the notifications may be sent to the Regr of C.S and 25 copies each to this office.

Memo no A7216/46 dt 11/10/46

Copy of the above is forwarded to the Regr of C.S. with reference to his letter no 1854/CS 46-47 dt 16.8.46

B.O

Genl Secy

AZ 5000 /162.1-42-138

Draft Notification 4-3-47

In exercise of the powers conferred by Section 44 of the Mysore Cooperative Societies Act, 1918 (VII of 1918) the Government of His Highness the Maharaja are pleased to make the following amendment to the Mysore Cooperative Societies Rules, 1920; the same having been previously published in the Mysore Gazette, dated 19th October 1946, as required by sub-section (3) of the said Section, namely:-

For Rule 21 of the said Rules, the following Rule shall be substituted:-

"

21.

Here enter the Rule as in the draft

B. O

Secy to Govt
Genl Secs
Engg Br

To The Controller, Mysore Gazette
- for publication in the Gazette

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

NOTIFICATION.

In exercise of the powers vested in them under Section 44 (2) (c) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information, ~~the following draft amendment to~~ Rule 21 of the Rules under the Act issued with Notification No. A.F. 1676/Co.19-39-35 dated 20th September 1940 in respect of the removal of members of the committees of managements of co-operative societies, the same having been published previously for information as required by Rule

Any objections or suggestions in regard to the proposed amendment may be sent in writing to the General Secretary to Government within two months from the date of the publication of this Notification in the Mysore Gazette after which date the draft will be taken up for consideration.-

"Substitute the following for Rule 21 of the Rules:-

21 (1) It shall be open to the Registrar to order the removal of any officer of a society and also disqualify or debar him from serving on the committee or from holding any office in the society for such period not exceeding three years as he may deem necessary, if he is satisfied that such officer has acted or has been acting fraudulently or with gross negligence or in contravention of the byelaws and subsidiary rules of the society or without the sanction of the Committee of Management when such sanction is necessary or contrary to the resolution of the committee of management or against the lawful written orders issued under the provisions of the Mysore Co-operative Societies Act and Rules thereunder or in any way prejudicial to the best interests of the society.

Provided....

P. J. O.

Provided that (a) the Registrar shall give such officer a full opportunity to explain his conduct; (b) the committee of Management of the society concerned shall also be heard or given a reasonable opportunity of being heard in the matter; (c) the objection to the continuance of such officer shall be recorded in full and communicated to the committee of the society and the officer concerned, and (d) an appeal by the officer affected shall lie to Government within one month from the date of receipt of such orders of the Registrar by him.

(2) Any person against whom an order is passed under clause (1) of this rule shall not be eligible to be an officer or serve on the committee of another registered society in Mysore during the period the disqualification operates."

By Order,

General Secretary.

To

The Compiler, Mysore Gazette, for publication in part IV of the Gazette in English and Kannada with the request that 250 copies of each of the notifications be sent to the Regr of C.S. and 100 copies each to this office.

Memo No AF 5704 dt 16-3-54

Copy of the above is forwarded s/c to the Regr of C.S. for information.

B.O.

Genl Secretary
16

Delta

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat,

No. A 75000 / CS Mu 2 138

Dated Bangalore, 4th March *19* 47.

NOTIFICATION.

In exercise of the powers conferred by section 44 of the Mysore Co-operative Societies Act, 1918(VII of 1918) the Government of His Highness the Maharaja are pleased to make the following amendment to the Mysore Co-operative Societies Rules, 1920, the same having been previously published in the Mysore Gazette, dated 17th October 1946, as required by sub-section (3) of the said section, namely:-

For Rule 21 of the said Rules, the following Rule shall be substituted:-

"21(1) It shall be open to the Registrar to order the removal of any officer of a society and also disqualify or debar him from serving on the committee or from holding any office in the society for such period not exceeding three years as he may deem necessary, if he is satisfied that such officer has acted or has been acting fraudulent y or with gross negligence or in contravention of the byelaws and subsidiary rules of the society or without the sanction of the Committee of Management when such sanction is necessary or contrary to the resulution of the committee of management or against the lawful written orders issued under the provisions of the Mysore Co-operative Societies Act and Rules thereunder or in any ay prejudicial to the best interests of the society.

Provided that (a) the Registrar shall give such officer a full opportunity to expalin his conduct; (b) the committee of management of the society concerned shall also be heard or given a reasonable opportunity of being heard in the matter; (c) the objection to the continuance of such officer shall be recorded in full and communicated to the committee of the society and the ~~affke~~ officer concerned, and (d) an appeal by the officer affected shall lie to Government within one month from the date of receipt of such orders of the Registrar by him.

(2) Any person against whom an order is passed under clause (1) of this rule shall not be eligible to be an officer or serve on the committee of another registered society in Mysore during the period the disqualification operates."

By Order,

C Ramachandraiya
Secretary to Government,
General Department.

To

The Compiler, Mysore Gazette, for publication in part IV of the Gazette in English and Kannada with the request that 250 copies of each of the notifications be sent to the Registrar of Co-operative Societies and 100 copies each to this office.

BKP/-